



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

We provide herewith, the activities of the Development Finance Department for the month of August, 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

- **7 Credit Risk Guarantees (CRG)** valued **N3.028 billion** was issued during the month under review. Cumulatively, **fifty three (53)** Credit Risk Guarantee cover valued **N19.304 billion** were issued from inception to date.
- **Eighteen (18)** GES CRGs valued **N3.883 billion** were approved through **five (5)** banks under the 2014 NIRSAL-GES Framework within the period under review, bringing the cumulative disbursement under NIRSAL GES Scheme to **N32.947 Billion** for **158** projects.
- Nirsal IDB claims are paid quarterly in respect of each of the projects. Cumulatively, **25 projects** have benefited under the IDB till date. During the period under review, IDB claims valued **N0.524million** were processed and paid, bringing the total IDB claims paid under NIRSAL to **N206.216million**.

- No GES IDB was paid within the period under review. Total GES IDP paid to date stood at **N198.904 million** for **73** projects.
- Held a meeting with PROPCOM Maikarfi on 21st August, 2014 to finalize guarantee framework for Mechanization loans.

1.1.2 Challenges

- Validity of information provided by counter parties for Credit Risk Guarantee;
- Lack of Information Technology (IT) infrastructure in respect of movement to NIRSAL head office
- Manpower shortage

1.1.3 Going Forward

- Nirsal will sell guarantee on 75%, 50% and 30% to primary producers, processors and logistics provider respectively
- Guarantee to be extended only to projects with fixed value chain.
- Continue to collaborate with stakeholders on the way forward
- Launching of the Mechanization framework in September, 2014

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, which has been extended by the COG to 2025. 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, the following were carried out:

1.2.1 Highlight of Activities/Achievements

- No fund was released from CACS Receivables Accounts during the period under review. However, the sum of **N239.329 billion** has so far been released to the economy under CACS in respect of **316 projects** through **twenty (20) banks** made up of **N199.831 billion** from CACS Receivable Account for **273 projects** and **N39.499 billion** from CACS Repayment Account for **43** new projects and **19** enhancements.
- The sum **N2.360billion** was released from the CACS Repayment account to **four (4)** participating banks for **four (4)** projects in August, 2014 (3 new projects and 1 enhancement).
- **316** beneficiaries made up of **285 private promoters** and **31 State Governments projects** has been sponsored under CACS. The sum of **N43.0 billion** has been accessed by **30** State Governments and the FCT.
- The sum of **N2.013 billion** was repaid by **one (1)** bank in respect of **two (2) projects** during the month, bringing the total repayment to **N42.814billion** in respect of **84 projects**.
- The balance on CACS Fund as at end of August, 2014 was **N0.169 billion**

- The balance on CACS Repayment Account as at end August, 2014 was **N3.315 billion**.
- No bank was sanctioned for infraction on the CACS Guidelines during the month. However, the total penalty charged for infractions, stood at **N1.242 billion** from inception in 2009 to August, 2014.
- From inception in 2009 to date, about **165,803 jobs** have been created through the Scheme;
- **Three** out of the **285** private projects are wholly owned and managed by women.
- A Documentary on CACS projects was showcased during the 8th Annual MSME Conference held between 18 & 19th August, 2014.

Table 1: Total Disbursements by Banks under CACS.

Financing Bank		Receivable from DMBs Accounts		Repayment Account			Total Amount Released
		Projects	Amount Released to Banks (N'Bn)	Projects New Project Enhancement		Amount released (N'Bn)	
1	Access Bank Nigeria Plc	11	10.326	4	0	2.30	12.626
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	9	1	4.780	27.139
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	3	1	3.172	3.172
11	Mainstreet Bank	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	7	2	2.692	14.434
15	Sterling Bank	14	7.193	4	5	5.469	12.662
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	2	2.502	22.432
19	Wema Bank	5	0.74	1	2	0.37	1.11
20	Zenith Bank Plc	18	26.955	7	1	12.15	39.105
Total		273	199.831	43	19	39.499	239.329

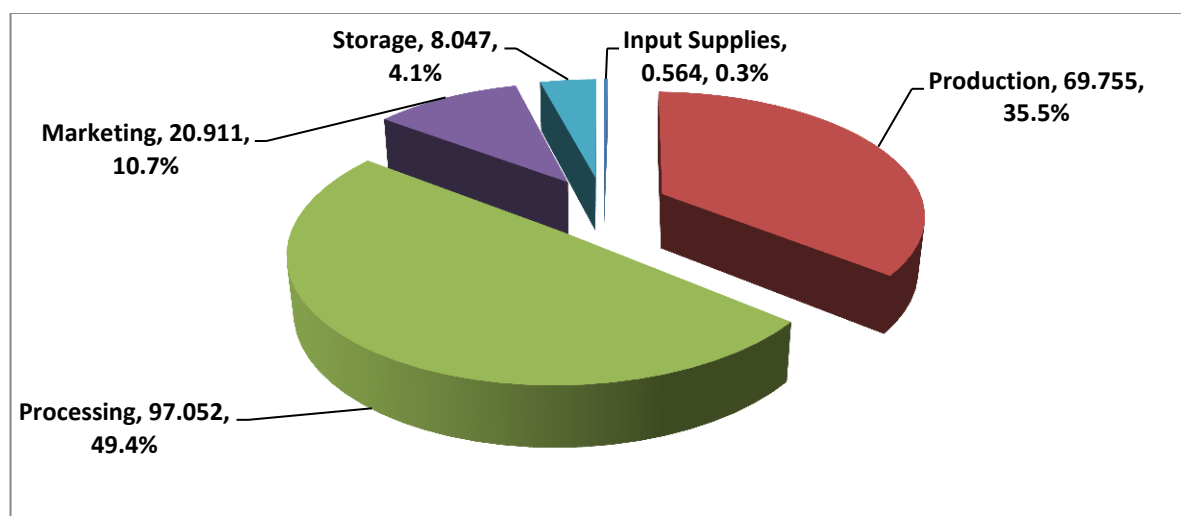
Analysis of CACS performance by value chain showed that out of the **285** CACS private sector sponsored projects (from both receivable and Repayment Accounts), production dominated the activities funded with 50.53%, followed by processing which accounted for 38.95%, while marketing, storage and Input supplies accounted for 5.61%, 4.56% and 0.35% respectively.

In terms of the volume of funds released, processing accounted for 49.4%, followed by production which accounted for 35.5%. Marketing, storage and input supplies accounted for 10.7%, 4.1% and 0.3% respectively (Table 2)

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

Category	Number (%) of Projects	Value {N 'billions and %}
Input Supplies	1 (0.35%)	0.564 (0.3%)
Production	144 (50.53%)	69.755 {35.5%}
Processing	111 (38.95%)	97.052 {49.4%}
Marketing	16 (5.61%)	20.911 {10.7%}
Storage	13 (4.56%)	8.047 {4.1%}
Total	285	196.329

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.

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 August 2014, a total of **5,239 loans** valued **N769.999 million** was granted by two (2) Deposit Money Banks and 40 Microfinance banks compared to 6,652 loans valued N1.144 billion guaranteed in July, 2014. This showed a decrease of 1,413 or 21.24% and N374.418 million or 32.72% in number and value respectively. The total loans guaranteed from inception in 1978 to August, 2014 is **906,845** valued **N79.312 billion.**(Table 3)

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

PARAMETERS	August, 2014 POSITION	July, 2014 POSITION
1. Guaranteed Loans	<p>Guaranteed 5,239 loans valued N769.999 million in August, 2014 as against 6,652 loans valued N1.144 billion guaranteed during the same period in July, 2014. This showed a decrease of 1,413 or 21.24% and N374.418 million or 32.72% in number and value respectively.</p> <p>The total loans guaranteed from inception in 1978 to August, 2014 is 906,845 valued N79.313 billion.</p>	<p>Guaranteed 6,652 loans valued N1.144 billion in July, 2014 as against 8,251 loans valued N1.472 billion guaranteed during the same period in June, 2014. This showed a decrease of 1,599 or 19.38% and N328 million or 22.28% in number and value respectively.</p> <p>The total loans guaranteed from inception in 1978 to July, 2014 is 901,606 valued N78.543 billion.</p>
2. Number of Loans Guaranteed ranked on State Basis	<p>August, 2014: The breakdown of the August, 2014 performance is as follows:</p> <p>Highest: Taraba State with 1,744 (33.29%) valued N296.340 million (38.49%).</p> <p>Second: Katsina State with 748 loans (14.28%) valued N82.430 million (10.71%).</p> <p>Third: Edo State with 555 loans (10.59%) valued N59.525 million (7.73%).</p>	<p>July, 2014: The breakdown of the July, 2014 performance is as follows:</p> <p>Highest: Niger State with 905 (13.60%) valued N46.600 million (4.07%).</p> <p>Second: Adamawa State with 902 loans (13.56%) valued N140.308 million (12.26%).</p> <p>Third: Delta State with 690 loans (10.37%) valued N145.190 million (12.69%).</p>

<p>3. Number of Loans Guaranteed by Size of Loan</p>	<p>August, 2014 - The breakdown of the August, 2014 performance is as follows:</p> <p>N5,000 and below = 0 loans valued Nil</p> <p>N5,001 - N20,000 = 484 loans valued N9.300m</p> <p>N20,001-N50,000 =1,416 loans valued N61.810m</p> <p>N50,001-N100,000 =1,336 loans valued N121.625m</p> <p>Above N100,000 =2,003 loans valued N577.264m</p>	<p>July, 2014 - The breakdown of the July, 2014 performance is as follows:</p> <p>N5,000 and below = 36 loans valued N178,000.00</p> <p>N5,001 - N20,000 = 498 loans valued N7.721m</p> <p>N20,001-N50,000 =1,640 loans valued N50.489m</p> <p>N50,001-N100,000=1,638 loans valued N136.896m</p> <p>Above N100,000 = 2,840 loans valued N949.134mn</p>
<p>4. Number of Loans Guaranteed by Category of Loan</p>	<p>August, 2014 - The breakdown of the performance is as follows:</p> <p>Individuals = 5,193 loans valued N752.729m</p> <p>Informal Groups = Nil</p> <p>Co-operatives = 43 loans valued N6.370m</p> <p>Companies = 3 loan valued N10.900m</p>	<p>July, 2014 - The breakdown of the performance is as follows:</p> <p>Individuals = 6,020 loans valued N924.480mn</p> <p>Informal Groups = 58 loans valued N20.562m</p> <p>Co-operatives = 573 loans valued N198.875m</p> <p>Companies = 1 loan valued N0.500m</p>
<p>5. Loans Guaranteed by Purpose</p>	<p>August, 2014 - The breakdown of loans granted by purpose is the following:</p> <p>Livestock = 118 loans valued N39.790m</p> <p>Fisheries = 35 loans valued N13.010m</p> <p>Mixed crops = 26 loans valued N14.00m</p> <p>Food Crops = 4,792 loans valued N647.939m</p> <p>Cash Crops = 37 loans valued N10.830m</p> <p>Others = 231 loans valued N44.430m</p>	<p>July, 2014 - The breakdown of loans granted by purpose is the following:</p> <p>Livestock = 578 loans valued N167.990m</p> <p>Fisheries = 151 loans valued N72.350m</p> <p>Mixed crops = 456 loans valued N86.020m</p> <p>Food Crops = 5,291 loans valued N760.248m</p> <p>Cash Crops = 113 loans valued N20.170m</p> <p>Others = 63 loans valued N37.640m</p>
<p>6. Loan Repayment</p>	<p>A total of 5,313 loans valued N755.504 million was fully repaid under the Scheme in August, 2014 as against 3,538 loans valued N553.891mn that was recovered in July, 2014. This brings the cumulative fully repaid loans from inception to August, 2014 to 679,408 valued N53.796 billion.</p>	<p>A total of 3,538 loans valued N553.891 million was fully repaid under the Scheme in July, 2014 as against 3,665 loans valued N490.860mn that was recovered in June, 2014. This brings the cumulative fully repaid loans from inception to July, 2014 to 674,095 valued N53.040 billion.</p>

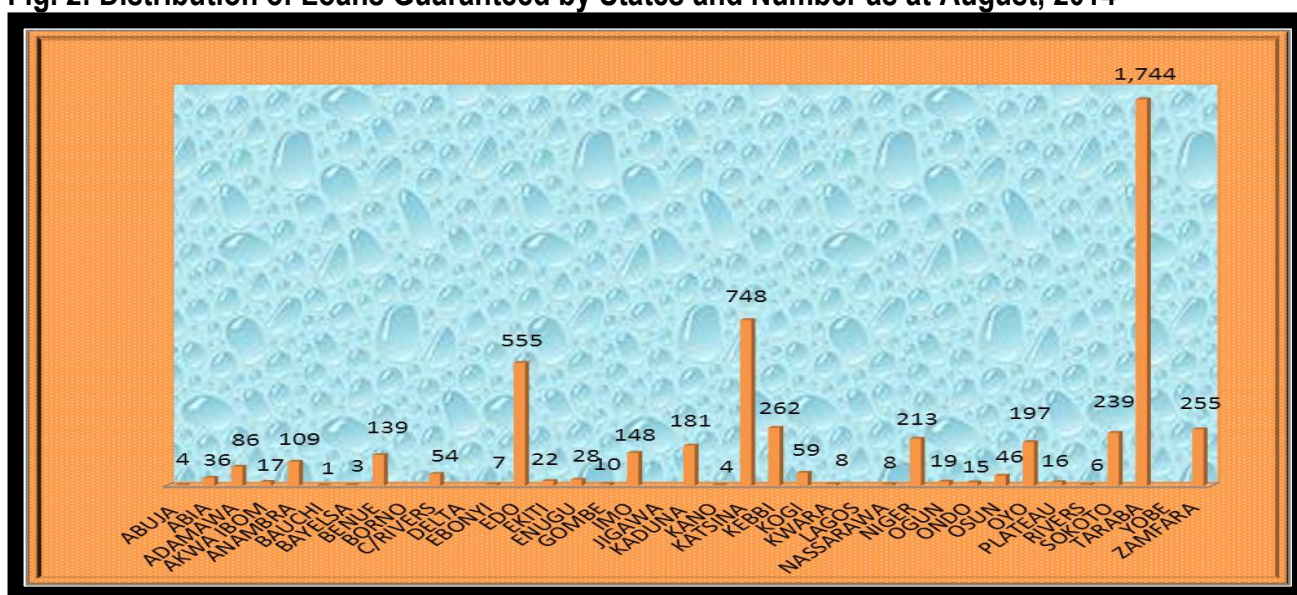
<p>7. Loans Repayment by State</p>	<p>August, 2014 - The breakdown of performance is as follows:</p> <p>Highest: Jigawa State with 2,741 loans (51.59%) valued N68.000m (9.0%).</p> <p>Second: FCT with 487 loans (9.166%) valued N26.220m (3.47%).</p> <p>Third: Benue State with 415 loans (7.81%) valued N403.950m (53.468%).</p>	<p>July, 2014 - The breakdown of performance is as follows:</p> <p>Highest: Sokoto State with 769 loans (21.74%) valued N100.885m (18.21%).</p> <p>Second: Adamawa State with 677 loans (19.14%) valued N48.929m (8.83%).</p> <p>Third: Kano State with 569 loans (16.08%) valued N78.882m (14.24%).</p>
<p>8. ACGSF Claims Settled</p>	<p>No ACGSF claim was settled in August, 2014. However, the cumulative number of settled claims from inception to date is 14,691 valued N546.932 million</p>	<p>No ACGSF claim was settled in July, 2014. However, the cumulative number of settled claims from inception to date is 14,691 valued N546.932 million</p>
<p>9. IDP Claims Settled</p>	<p>7,645 IDP claims valued N86.629million was settled in August,2014. Bringing the total number and value of IDP claims settled since inception in 2003 to August 2014 to 254,071 valued N2.023billion.</p>	<p>No IDP claim was settled in July,2014. However, the total number and value of IDP claims settled since inception in 2003 to July 2014 is 246,426 valued N1.936 billion.</p>
<p>10. Banks' Performance under the ACGS</p>	<p>Performance of banks under the ACGS as at August, 2014:</p> <p>(i) Banks</p> <p>2 Banks granted a total of 1,856 loans valued N447.410million under the ACGS as at end of August,2014. The breakdown of the disbursements by the banks is as followsDiamond Bank Plc. {1 loan valued N9.500m}; and Union Bank of Nigeria {1,855 loans valued N437.910m}; and</p> <p>(ii)Microfinance Banks (MFBs)</p> <p>40 MFBs granted a total of 3,383 loans valued N322.589million under the ACGS in August, 2014.</p>	<p>Performance of banks under the ACGS as at July 2014:</p> <p>(i) Banks</p> <p>3 Banks granted a total of 1,754 loans valued N645.029million under the ACGS as at end of July,2014. The breakdown of the disbursements by the banks is as follows: First Bank of Nigeria (FBN) Plc. {375 loans valued N171.499m}; Keystone Bank {150 loans valued N31.500m} and Union Bank of Nigeria {1,229 loans valued N442.030m}; and</p> <p>(ii)Microfinance Banks (MFBs)</p> <p>46 MFBs granted a total of 4,898 loans valued N499.388million under the ACGS in July, 2014.</p>

<p>11. Number of Memoranda of Understanding (MOUs) signed under the Trust Fund Model.</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>	<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>12. ACGSF Resources</p>	<p>The total resources of the ACGSF as at August, 2014 stood at N6.140billion.</p>	<p>The total resources of the ACGSF as at July of 2014 stood at N6.140billion.</p>
<p>13. IDP Resources</p>	<p>The value of the total resources of IDP at the end of August 2014 was N1.762 billion.</p>	<p>The value of the total resources of IDP at the end of July 2014 was N1.762 billion.</p>
<p>14. Expenses Recoverable Payable to the Managing Agent (CBN)</p>	<p>The recoverable expenses incurred by the Development Finance Offices and Head Office under ACGSF for the month of August, 2014 amounted to N58.272 million.</p>	<p>The recoverable expenses incurred by the Development Finance Offices and Head Office under ACGSF for the month of July, 2014 amounted to N54.099 million.</p>

1.3.2 DISTRIBUTION OF GUARANTEED LOANS BY STATE

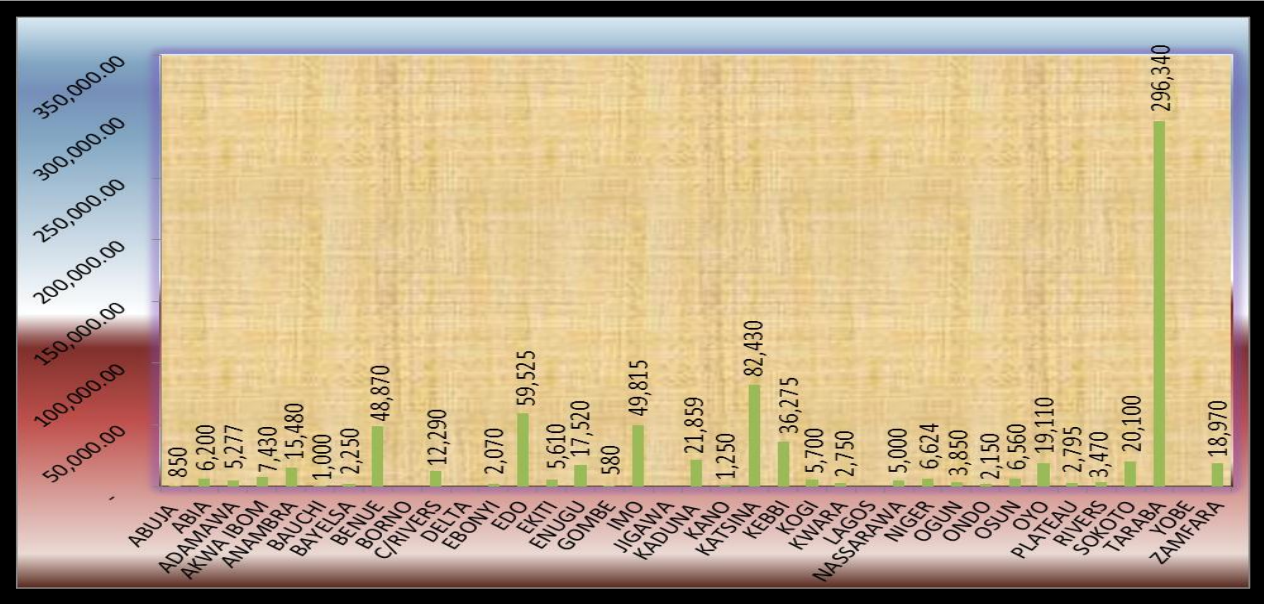
The analysis of loans guaranteed indicated that **Taraba State** granted the highest number of loans with **1,744 loans**, followed by **Katsina** and **Edo States** which granted **748** and **555** loans respectively, during the period under review (Fig 2)

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



The analysis of loans guaranteed by value indicated that **Taraba State** granted the highest with **N296.340million** followed by **Katsina** and **Edo States** which granted **N82.430million** and **N59.525 million** respectively, (Fig.3)

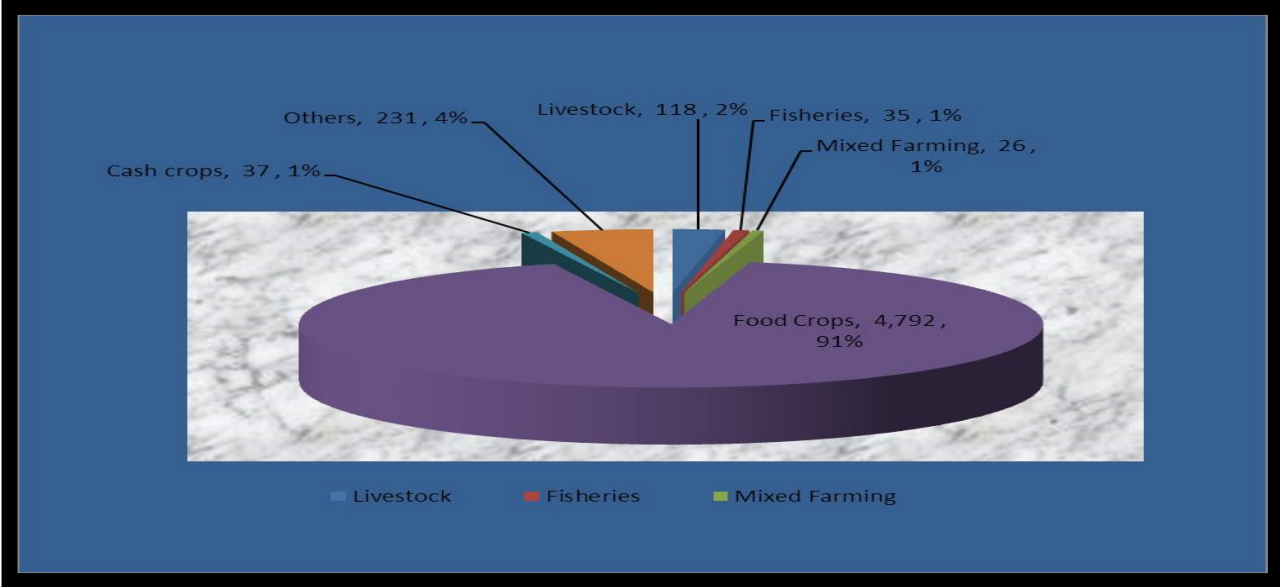
Fig. 3: Distribution of Loans Guaranteed by States and Value as at August, 2014



1.3.3 DISTRIBUTION OF LOANS BY PURPOSE

The distribution of number of the loans guaranteed by purpose indicated that **Food Crops** accounted for **4,792 loans** (91 per cent), followed by **Others** and **Livestock** which recorded **231 loans** (4 per cent) and **118 loans** (2 per cent) respectively. Cash Crops, Fisheries and Mixed Farming recorded **37 loans**, **35 loans** and **26 loans** (1 per cent) respectively (Fig 4.)

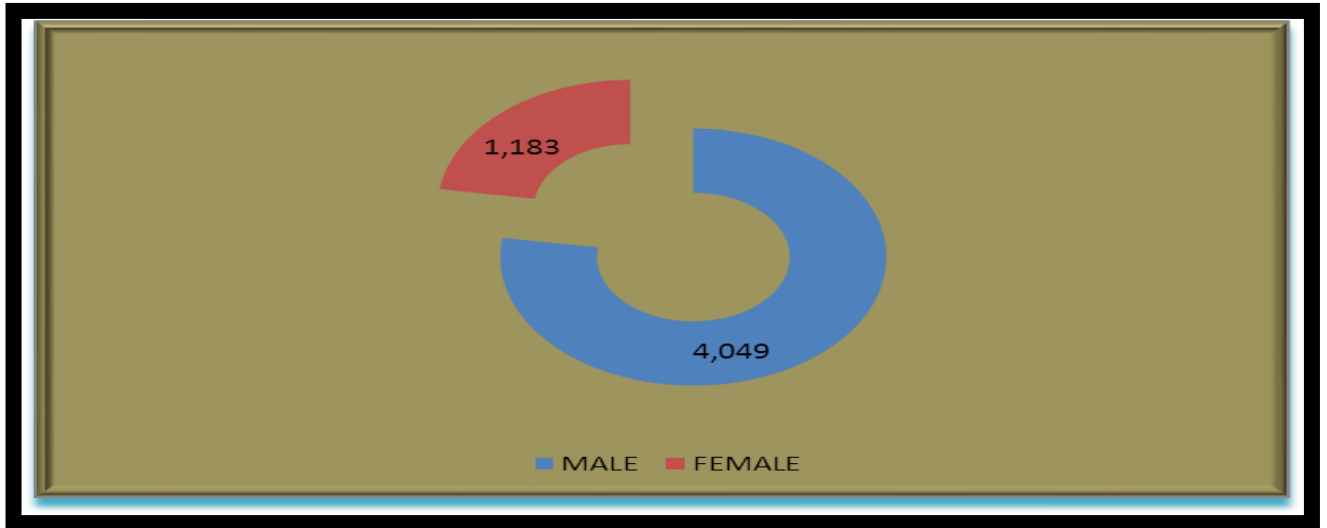
Fig. 4: Distribution of Loans Guaranteed by Purpose as at August, 2014



1.3.4 Analysis of Loans Guaranteed by Gender of Borrowers

In August, 2014, a total of **4,049** (77%) male beneficiaries obtained loans under the ACGS, amounting to **N611,567m** (77%), while **1,183** (23%) female borrowers received **N143.032** (19%) million. (fig.5)

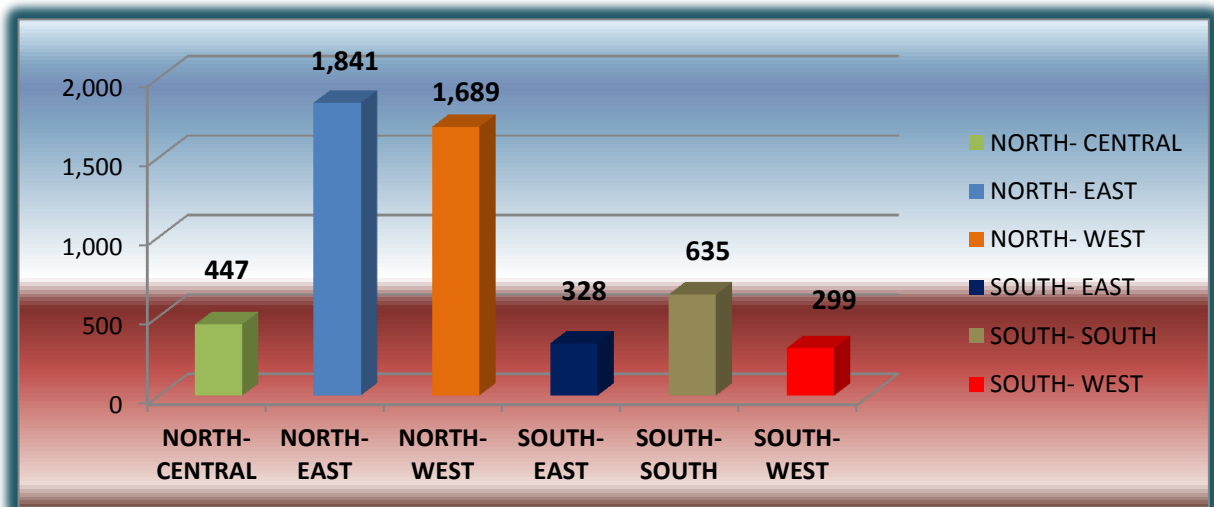
Fig. 5: Analysis of Loans Guaranteed by Gender of Borrowers as at August, 2014



1.3.5 LOANS ANALYSIS BY GEO-POLITICAL ZONES

Analysis of number of loans guaranteed by States in the geo-political zones in August 2014, showed that the **North-East** (Adamawa, Bauchi, Borno, Gombe, Taraba) came first with **1,841 loans** valued **N303.197m**, followed by **the North-West zone** comprising (Kaduna, Kano, Katsina, Kebbi, Jigawa, Sokoto and Zamfara States) with **1,689 loans** valued **N180.884**. The South- South comprising of Akwa-Ibom, Bayelsa, C/Rivers, Delta, Edo, and Rivers States came in third with **635 loans** valued **N84.965 million**.(Fig.6).

Fig. 6: Distribution of Loans Guaranteed by Number and Geo-Political Zones In August, 2014



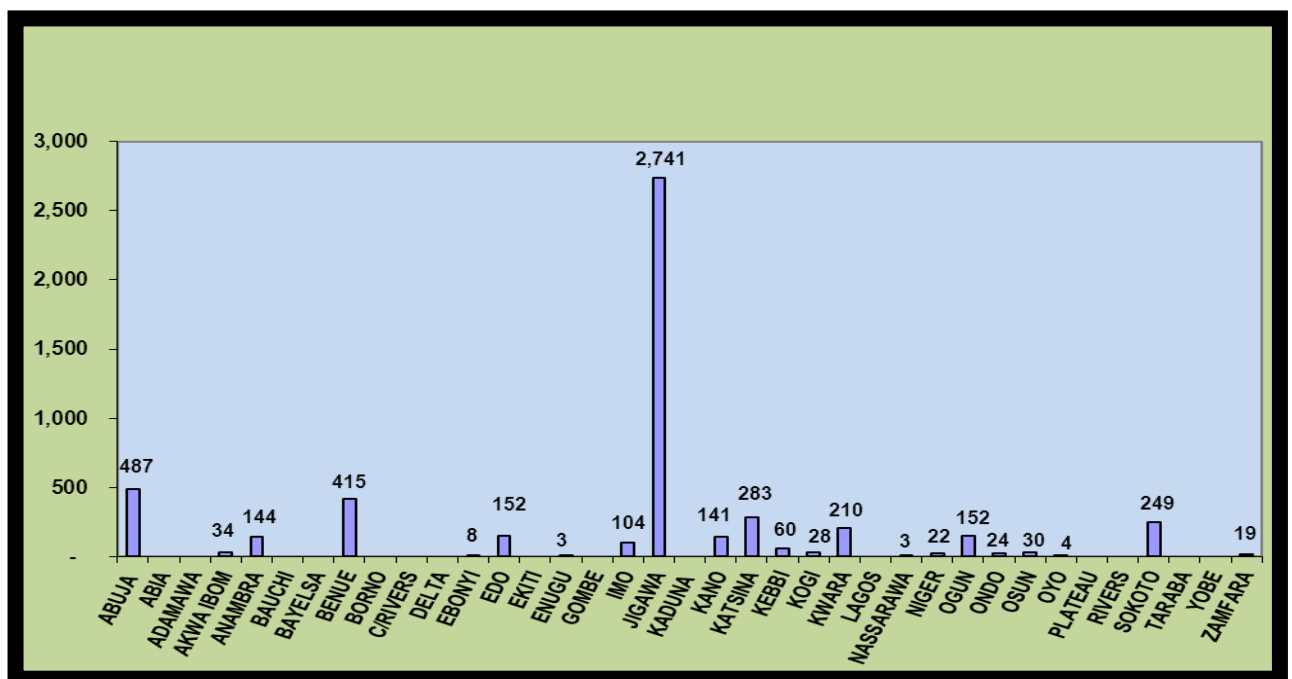
1.3.6 Loans Repayment

A total of **5,313 loans** valued **N755.504 million** was fully repaid under the Scheme in August, 2014 as against 3,538 loans valued N553.891m that was recovered in July, 2014. This shows an increase of **1,775 (50.17%)** and **N201.613 (36.40%)** in number and and value respectively when compared with repayments in July, 2014.

Thus, bringing the cumulative fully repaid loans from inception to August, 2014 to **679,408 valued N53.795 billion**.

An analysis of repayment by States showed that **Jigawa State** had the highest with **2,741 loans** which represents 51.59 per cent in number, followed by **FCT** and **Benue State** which recorded **487** and **415 loans**, respectively, representing 9.17 per cent and 7.8 per cent in the total number respectively.

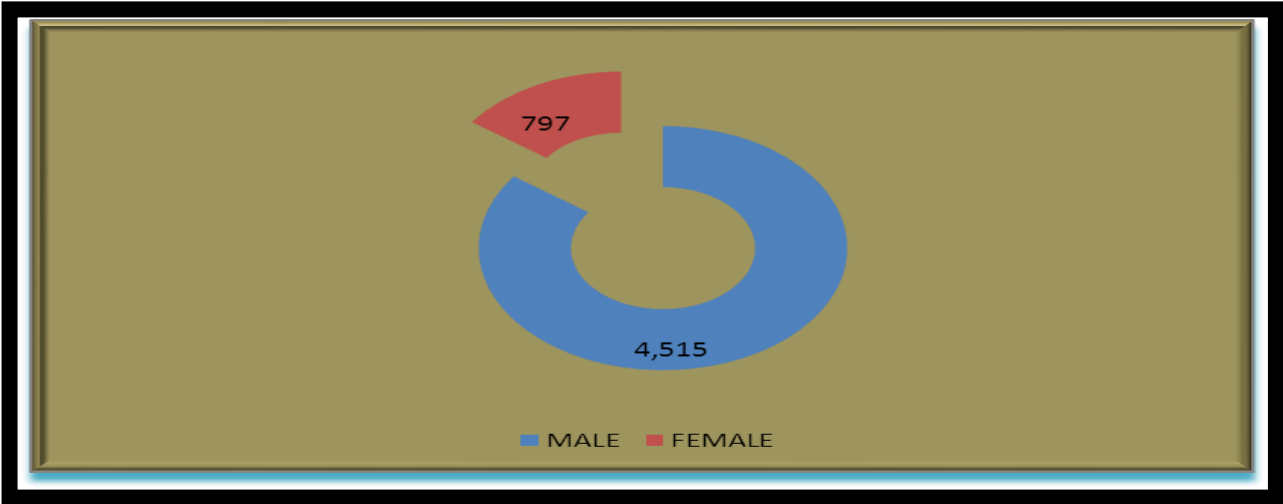
Fig. 7: Distribution of Loans Repaid by States and Number as at August, 2014



1.3.6.1 Loans Repayment by Gender

In August ,2014 the analysis of repayment by gender of borrowers (Fig: 7), showed that **4,515 (84.98%)** which represented male beneficiaries repaid **N446.282 million (59.07%)** while, **797 loans (15%)** valued **N308.822million (40.88%)** were repaid by female borrowers.

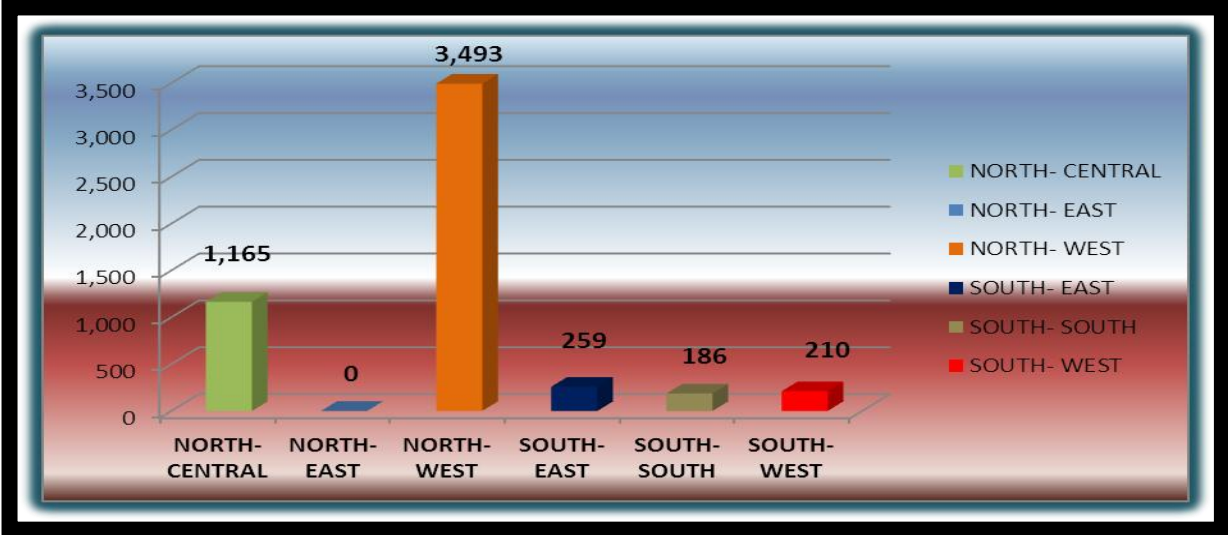
Fig: 8: Distribution of Loans Repaid by Gender August, 2014



1.3.6.2 Loans Repayment by States/Geo-Political Zones.

Analysis of loan repayments on geo-political zone basis in August, 2014 revealed **North-West** comprising Jigawa, Kaduna, Kano, Katsina, Kebbi, Sokoto and Zamfara States, repaid the highest with **3,493 loans** valued **N157.410 million**, followed by with the **North-Central** (FCT, Benue, Kogi, Kwara, Nassarawa, Niger, Plateau states with **1,165 loans** valued **N453.067**. **South-East** comprising Abia, Anambra, Ebonyi, Enugu and Imo States came in third with **259 loans** amounting to **N59.575 million**. (Fig: 8).

Fig: 9: Distribution of Loans Repaid by Geo-Political Zones and Number August, 2014



1.3.7 ACGSF Claims Settlement

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

1.3.8 Interest Draw-Back Programme (IDP) Claims Settlement

7,645 IDP claims valued **N86.629million** was settled in August,2014. This brings the total number and value of IDP claims settled since inception in 2003 to August 2014 to **254,071** valued **N2.023 billion**.

1.3.9 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-August 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 August, 2014, no project was guaranteed under the scheme. However, the total number of projects guaranteed since inception stood at **76 (Seventy-six)**, valued **N3.37 billion**.
- **No** repayment was made in the month of August, 2014. The total number of fully repaid projects stood at **29** valued **N1.79 billion** since inception to date.

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 to BOI in the month of August, 2014.
- The total sum of **N288.98 billion** had been released to BOI, and disbursed to **573 projects** from inception to date.
- In August 2014, no fund was disbursed from the repayment account. However, the total fund disbursed from the repayment account for projects under SMERRF stood at **N71.73 billion**.

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

- Release the sum of **N0.454 billion** to BOI in respect of one project under the Power and Airline Intervention Fund (PAIF) in August, 2014. Thus, bringing the total sum released to **N233.615 billion** for onward disbursement through participating banks to **52 projects (37 power projects received N116.188 billion while 15 airline projects obtained N117.427 billion) from inception to date** (Tables 4 & 5).

Table 4 - Summary of Funds Released to BOI since inception

APPROVED FUND	(₦)300.00 Billion (N)	2010
Net Amount Released (₦)	233.615 billion	As at August, 2014
Total Amount Disbursed to Banks (₦)	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 BOI as at August, 2014

Type	No. of Obligors	No. of Projects	Amount (N)
Airline projects	10	15	117,427,097,372.74
Power projects	25	37	116,188,695,792.85
Total	35	52	233,615,793,165.59

1.6.2 PAIF LOAN REPAYMENT

- The sum of **N3.171 billion** was repaid and remitted by the BOI to CBN under PAIF during the period.
- The total fund repaid under PAIF since inception stood at **N36.387 billion**.

PART TWO: ENTREPRENEURSHIP DEVELOPMENT INITIATIVES

Entrepreneurship Development Centres (EDC)

The Entrepreneurship Development Centers 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 conducted an interview on 12th August, 2014 to select three (3) Consultants out of the selected 10 that submitted Expression-of-interest (EOIs) for the CBN-EDC outreach centres in the South-West, North-West and

South-East geo-political zones. The Report of the interview was sent to the Management for approval.

- An extra-ordinary meeting of the Governing Council of the Entrepreneurship Development Centre EDC took place on Wednesday, 13 August, 2014 to finalize and ratify External Auditors for the three existing EDCs in the North-Central, South-South and North-East.

The three External Auditors appointed include:

- South-South EDC - Folorunso oluminu and Co,
 - North-Central EDC - Adebisi Gununpe and Co,
 - North – East EDC - Omaye and Company.
- As at August, 2014, the existing EDCs located in North-East (Maiduguri), North-Central (Makurdi) and South-South (Calabar) trained 1,540 out of a target of 1,500. This represents 102.67% of the target (57.27% male and 42.73% female);
 - Cumulatively from inception; 7,288 were trained (4,650 male and 2,638 female);
 - 1,514 accessed a total of N126.575 million as loan to their businesses; and
 - 3,734 jobs were created from inception.

2.1.1 Challenges

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

2.1.2 Going Forward

- Engaging the would-be host State governments to operate under the Tripartite Agreement.
- Consultants and auditors to be selected, approved and engaged by Management to operate the Centres.
- Continue to sensitize the National, State and community on effective advocacy and prudent use of the funds.
- Launch the outreach centres to be located in Gombe, Minna and Yenagoa.

2.2 MICROFINANCE MANAGEMENT

2.2.1 Activities

- Hosted the 8th Annual Micro, Small and Medium Enterprises Finance Conference with the theme 'Development Financing in Nigeria: Past, Present and Future' at Sheraton Hotel & Towers, Abuja from 18th – 19th August, 2014.
 - Awards were presented to the Best Performing Banks, National Farmers and others under the ACGS by the President, Dr. Ebele Goodluck Jonathan (GCFR).

- A booklet on 55 years of development financing in Nigeria was produced and distributed to the participants while documentary on projects and promoters financed by CBN interventions were also show cased.
 - An Entrepreneurial Clinic where about 50 unemployed graduates were mentored by a Mentee was also organized. The graduates were linked to formal financial institutions to enable them set up their business/enterprises.
- Held a Meeting with the IFAD/RUFIN implementing Departments of the Bank (Other Financial Institutions and research Departments) to streamline the amended Constitution submitted by the Association of Non-Bank Microfinance Institutions (ANMFIN).
- ✚ Some of the amendments recommended for the ANMFIN Constitution include:
- Refocus of Regulation and Supervision of members
 - Removal of zonal structure
 - Delegation of responsibility by ANMFIN President.
 - Amendments of the responsibilities of the National Executive Council (NEC)
 - Inclusion of an Auditor at the National level.
 - Removal of Agenda for AGM from the Constitution and;
 - Removal of zoning of the office of the President and Treasurer.

2.2.2 Challenges

- Keeping to the timeline and securing stakeholders buy-in.
- Keeping to timeline in selecting consultants and auditors to operate the centers.

2.2.3 Going Forward

- Present the conference report and communique to Management
- Continue to promote development financing to achieve poverty alleviation in Nigeria.
- Follow up on the ANMFIN's amendment to ensure compliance by the bank.

2.3 MSME DEVELOPMENT FUND (MSMEDF)

2.3.1 Activities

- i. The President, Dr. Ebele Goodluck Jonathan, GCFR flagged-off the disbursement of the N220billion MSMEDF during the opening ceremony of the 8th Annual MSME Finance Conference on the 19th of August, 2014.
 - Seven (7) State Governments (Ogun, Abia , Anambra, Taraba, kaduna, Plateau, Kwara and Sokoto State & the FCT) signed Memorandum of Understanding (MoU) with the Central Bank of Nigeria during the Conference. This brings the number of MOU signed with State Governments to twenty two (22).
- ii. Held a meeting on stakeholders' engagement which includes representatives of Microfinance Banks (MFBs), Finance Companies (FC), and Non-

Governmental Organization Microfinance Institutions (NGO-MFIs) on August 7, 2014 to discuss the implementation modalities of the MSME Development Fund.

- iii. The Microfinance Sub-sector Committee on Micro, Small and Medium Development Fund (MSMEDF) constituted at the instance of the CBN Governor held its final meeting on August 1, 2014 and deliberated on Terms of Reference under the Fund.
 - The Committee finalized the recommendations based on the Terms of Reference (TOR) given.

2.3.2 Challenges

- Lack of loan processing software
- Embarking on awareness exercise on the MSMEDF to achieve wider outreach
- Secure the buy-in of State Govts/FCT in respect of MSMEDF
- Enlightenment of the Participating Financing Institution on modalities for accessing funding from the PFIs under the programme, and the need for prompt repayment.
- Inadequate staff complement to process application
- Capacity Building for staff

2.3.3 Going Forward

- FINO & BICS software
- To chart a way forward towards sustainable financial management, procurement and strategic direction for the Programme.
- Ensure that MSMEDF funds are promptly disbursed to the projects
- Continue to collaborate with the Stakeholders on the way forward
- Deployment of additional staff to the office
- Need to build capacity for staff

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:

3.1 FINANCIAL INCLUSION: PORTHARCOURT MARKET SURVEY

The Department conducted a Survey to identify two States in each geopolitical zone with the worst exclusion rate to hold pilot campaigns. River State was among the States selected for the pilot campaign and three markets in Port Harcourt were visited for the survey.

- ✚ Some of the issues observed in Rivers State include the following:
 - About 40%, 59% and 58% have bank accounts in Borokiri, Mile 3 and Mile 1 markets respectively.
 - Only about 8% of respondents save with a bank in Mile 1 market while majority make use of a cooperative or save at home.
 - An encouraging number of respondents receive funding from banks to run their businesses in all three markets.
 - The major barrier for not having bank accounts in all three markets are difficulties in reaching a branch, lack of funds to open accounts and fear of losing the money in the financial institution

3.1.1 DEVELOPMENT OF A DATA DASHBOARD FOR THE FINANCIAL INCLUSION STRATEGY IN NIGERIA

The Financial Inclusion Indicators Dashboard was developed during a technical exercise conducted from 6-8th August, 2014 by the Department and two specialists from the Statistics Department, CBN.

- ✚ Some of the highlights include the following:
 - Development of dashboard in line with recommendations given by the BFA.
 - Observation of some critical gaps during the technical session.
 - Engaging other stakeholders (PENCOM, NAICOM, NCC, NIMC and SMEDAN) on bilateral basis to collect relevant data for the dashboard.

3.1.2 NATIONAL FINANCIAL INCLUSION STRATEGY AND CASHLESS POLICY INTERVIEW ON WE 106.3 FM TALK SHOW.

The Department appeared on WE 106.3 FM morning talk show on the 5th August, 2014 to create awareness on the National Financial Inclusion Strategy and the impact of the Cashless policy since its roll-out nationwide.

Some of the issues highlighted were:

- Targets of the FI Strategy
- Progress towards the overall objective.
- New amendments to the FI policy

3.1.3 Challenges

- Insecurity in some parts of the country hindering implementation of the strategy
- Business plans for implementation of the strategy was requested from Deposit Money Banks and they are 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.
- Technology challenges with the implementation of some schemes for example, problems with mobile banking and POS machines.

3.1.4 Going Forward

- Continuous sensitization and collaboration with the various stakeholders to create awareness.

- Linking with development partners like The Bill and Melinda Gates Foundation to help solve some implementation problems discovered in the course of executing the Strategy.
- Workshop being planned for the fully staffed Financial Inclusion Secretariat.
- Agent banking workshop being organized for Deposit Money Banks, Microfinance Banks and Mobile Money Operators in Q4.

PART FOUR: COMMODITY PROMOTION

4.1 Commodity Promotion Activities

A stakeholders meeting was convened on 7th August, 2014 by the Federal Ministry of Agriculture and Rural Development to deliberate on the implementation strategies aimed at promoting pineapple agribusiness in the Southwest States of the country. To achieve this aim, the initiative would focus on accelerated production of MD-2 and Sugarloaf pineapple varieties.

The Project Objectives include:

- (a) Creating jobs for the unemployed youths in the South Western States of Nigeria
- (b) Introducing the cultivation of two exotic pineapple varieties (MD-2 for its export potential and Sugarloaf for local fresh fruit consumption).
- (c) Introducing youths to modern techniques of pineapple production through training programmes in line with global best practices
- (d) Improving the livelihoods of rural families in the production clusters.
- (e) Promoting the consumption of pineapple because of its nutritional and health benefits.

Decisions:

Five key areas deliberated upon for the successful execution of the project were as follows:

- Production: Planting materials and field establishment
- Implementation structure/Ownership: Roles of each stakeholders
- Research and Extension
- Processing and Marketing
- Pineapple export

Going Forward

- Contributions by the stakeholders identified for the funding arrangement
- Farmers should be availed information on credit facilities available in CBN, BOA and BOI.
- Ensuring single digit interest rate for credit facility through Interest Drawback Programme.
- Collaborate with development partners; World Bank, IFAD, AFDB, FAO, UNDP, UNIDO and USAID.

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