



CENTRAL BANK OF NIGERIA

PRESS STATEMENT

N300 BILLION POWER AND AVIATION INTERVENTION FUND ESTABLISHED

In support of President Goodluck Jonathan's current initiatives especially in the **power** and **aviation** sectors, the Central Bank of Nigeria hereby announces the establishment of **N300 Billion Power and Aviation Intervention Fund**. This amount is part of the initial N500 Billion intervention fund announced earlier in April 2010 in a bid to catalyze financing of the real sector of the Nigerian economy. The purpose of the fund is to help sustain private sector investment in the two sectors. The guidelines for the disbursement of the fund have also been released.

Accordingly, the Bank of Industry (BoI) has been appointed as the **managing agent** vested with the responsibility for the day-to-day administration of the fund, while the **African Finance Corporation (AFC)** will serve as the Technical Adviser. Also, all Deposit Money Banks (DMBs) and Development Finance Institutions (excluding BoI) have all been enlisted to participate in scheme.

Companies wishing to participate in the scheme must be duly registered and must have been involved in electricity power supply value chain, which include power generation, transmission, distribution and associated services. Also, eligible projects can be promoted by private or public or a combination of both, which must be structured either as a profit oriented business concern or a public service on the condition that contracted cashflows or financing support exists to ensure repayment of principal and interest in addition to long term viability.

On the part of the aviation projects, any airline duly incorporated under the Company and Allied Matters Act (CAMA) 1990 and operating in Nigeria is eligible to apply for the facility.

The funds shall be administered at an all inclusive interest rate and charges of 7.0% (BoI 1.0% as management fee and participating banks, 6.0%) payable on quarterly basis. Specifically, the fund is meant for **refinancing existing loans, refinancing existing leases and working capital for both power and aviation sectors while the long term segment of the fund is exclusively applicable to new power projects only.**

The security to be offered by the participating banks to BoI shall be in the form of a bank guarantee backed by a payment order for the participating banks' accounts to be debited by the CBN by any amount due in case of default based on the on-lending agreement signed by BoI and each participating bank for approved projects.

SIGNED
M. M. ABDULLAHI
HEAD, CORPORATE COMMUNICATIONS
AUGUST 24, 2010