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Nigeria Incentive-Based Risk Sharing System For Agricultural Lending

Press Release

Following a thorough and competitive process, the Governor of the Central Bank of Nigeria, Mr. Godwin I. Emefiele, has approved the appointment of Mr. Aliyu Abbati Abdulhameed as substantive Managing Director and Babajide Arowosafe as Executive Director (Technical) of the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL).

Mr. Abdulhameed holds a B.Sc. in Agricultural Economics and Rural Sociology from Ahmadu Bello University, Zaria and a Masters Degree in Public Administration with specialization in Public Policy. He also holds an Executive Masters Certificate in Project Management from the Project Management College (UK). He has over 22 years experience in Corporate Agribusiness and in the field of Agricultural Finance and Risk management. Mr. Abdulhameed is currently an Executive Team Member of NIRSAL PLC.

Mr. Arowosafe has a first degree in Agriculture and a Masters in Agricultural Policy and Administration. He has wide-ranging experience in agriculture and micro-enterprises having worked in these fields for both the World Bank and the United Nations. Most recently, Mr. Arowosafe was the Commissioner for Agriculture & Natural Resources in Ekiti State.

NIRSAL is an initiative of the Central Bank of Nigeria (CBN), the Bankers Committee (BC) and the Federal Ministry of Agriculture & Rural Development (FMA&RD). In addition to many other functions, the company essentially administers a Risk Sharing Fund designed to identify, redefine, measure, re-price and evolve strategies to de-risk and catalyze lending to the Nigerian agriculture value chain.

It was subsequently incorporated as a Public Limited Liability Company (PLC) and licensed as a Non-Bank Financial Institution (NBFI) with the primary mandate of facilitating the flow of credit to agribusiness value chain players and collaborating with stakeholders to fix broken agricultural value chains in Nigeria.

NIRSAL promotes economic development by acting as a catalyst for credit flows to agricultural value chains by systematically addressing key failures in agribusiness supply chains. From inception in 2012 to date, 454 projects valued ₦61.161 billion have been guaranteed by NIRSAL. Furthermore, the sum of ₦753.36 million was paid out as interest rebate to borrowers who repaid promptly to encourage good repayment behavior thereby minimizing default. In addition, by the end of Year 2014, NIRSAL has trained 27,142 farmers across the country.

These appointments underscore the CBN's determination to re-focus NIRSAL and help de-risk agricultural lending in Nigeria. The Bank is confident that this will help in moving the country towards food sufficiency, job creation, and inclusive growth.



Ibrahim Mu'azu,
Director, Corporate Communications Department