



Central Bank of Nigeria

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CBN Moves to Cushion the Impact of COVID-19 Crisis

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Editor's Note

As a result of the lock down occasioned by COVID-19 global plague, members of the editorial crew retired to the safety of our various homes from where we to put together this April edition. We hope you are keeping safe and in good spirit.

In this edition, We bring to readers a story on efforts of the CBN Governor, Mr. Godwin Emefiele in mobilizing the Coalition of Private Sector Against COVID-19, otherwise known as CACOVID, to support the Presidential Task Force COVID-19 with some resources (financial, equipment and other facilities) required to fight the deadly plague.

This is followed by a news analysis, based on Governor Emefiele's thought provoking treatise titled "TURNING THE COVID-19 TRAGEDY INTO AN OPPORTUNITY FOR A NEW NIGERIA". It presents the Pandemic as an opportunity for policy makers to grow the domestic economy into self-sufficiency in various sectors such as agriculture, manufacturing, health, education etc. It is envisioned that this would help to ameliorate the impact of the pressures birthed by the corona virus.

Mindful of the plight of the households and micro, small and medium Enterprises (MSMEs), there is a story on the introduction of CBN for N50bn Targeted Credit Facility stimulus package Also, a similar stimulus package of N100bn Healthcare Research and Development Grant is earmarked for pharmaceutical and other healthcare providers in Nigeria.

As a fallout of the new COVID-19 Pandemic, a story points to the warning by the CBN on the need for the public to beware of the increasing incidence of cyber-attacks and fraud.

We also bring to your reading pleasure, a story on the readiness of the CBN to make available foreign exchange to all deposit money banks for sale to SMEs and payment of school fees for oversea studies.

We serve stories that show the private sector-led coalition beginning to yield some results. Interestingly, one of the stories revealed that relief fund from CACOVID has reached the N27bn mark. Another interesting story tells of the inspection of an Isolation Centre facility in Lagos Provided by CACOVID led by the CBN Governor, Mr. Emefiele.

These and other stories have been put together for your reading pleasure. Thank you once more for your interest and hope you keep to COVID-19 safety rules.

Isaac Okorafor
Editor -in- Chief

News Analysis

CBN Moves to Cushion the Impact of COVID-19 Crisis

By: **Ademola Bakare**



Covid-19 Isolation Centre

The year 2020 started on a brighter and prospective note for Nigeria with the expectation of increased economic activities, arising from the CBN's sustained interventions in agriculture and Small and Medium Enterprises (SMEs). Economic indices also attested to this until what was believed to be a localised virus in a town, Wuhan, in China, took on the world, ravaging not only economies but with millions of human casualties. Nigeria is battling to contain it, as no one expected its devastating destructive capacity. Other viruses like SARS and Ebola were not this destructive. It has no doubt brought unquantifiable damage to world's harmony and economic life.

In a series of interventions by the Central Bank of Nigeria, (CBN) at the wake of the novel Coronavirus (COVID-19) outbreak, the Bank unveiled a succession of targeted facilities starting with a N50billion credit facility, followed by another N100billion credit support intervention for the health sector. The Bank's twin intervention

funds were in quick response to the coronavirus pandemic, which has caused unprecedented disruptions in global supply chains, sharp drop in global crude oil prices, chaos in global stock and financial markets, lockdown of large swaths movements of persons in many countries, including Nigeria.

It berthed here in Nigeria when the CBN was putting final dots on the organisation of its second edition of 'Going for Growth 2.0'. (The first edition was held in Lagos in 2019.) It is a Think-tank stakeholder assemblage of practitioners in the private and public sectors, bureaucrats and technocrats, bankers and industrialists concerned about the economic wellbeing of Nigeria.

The stakeholder meeting was held at the head office of the CBN and it coincided with the outbreak of the novel COVID-19 virus. The fear of every stakeholder was palpable knowing how fragile the economy is, and having just exited economic recession and on the verge of getting its

groove back. However, the mono-product economy of Nigeria further exposed its fragility and precarious situation, especially with the way advanced economies were crumbling, battling how to salvage the ruins caused by the menace. The Nigeria situation is made worse as its major revenue source is hinged on oil proceeds for sustenance. Previous economic diversification efforts were only achieved on papers without commensurate commitment to achieve the programme.

The CBN Governor, Godwin Emefiele shortly on assumption of office admonished the handlers of the economy to brace up for the diversification of the economy to agriculture and non-oil products as the future of oil as source of sustenance is bleak. Emefiele became the lonely voice in this advocacy. He was proved right when world oil prices dipped in 2015/2016 and the economy slipped into recession. Concerted efforts were made through various monetary policy interventions to revive the economy. He succeeded when hope seemed lost.

And ever since he had been on the frontline canvassing for economic diversification and in the same vein frowning at the increasing public debt without commensurate buffers. He was worried about the unabating internal security crisis caused by militancy and insurgency, particularly in the food producing areas of the country and has gravely affected economic growth, food security, and rising inflation. The Bank had also been concerned about the inadequate infrastructure in the economy.

These, many more, are being addressed by the Bank through interventions in agriculture value chain, power, aviation, cotton and garment industry including ICT and the creative industry, as contained in the Bank's Five-year Policy Thrust. Notable is the matrimony between the monetary regulator and deposit money banks under the aegis of Bankers' Committee agreeing to work together for the economy. These were ongoing efforts when Covid-19 made its way into Nigeria.

In his quick response to avert total collapse knowing that the economy does not have the

shocks required to weather the pandemic, he in sequence to its earlier held 'Going for Growth 1.0' held in Lagos last year, conveyed its second stanza in expectation of likely economic disruption that may be arise with the virus outbreak. Thus, he rallied a coalition of private sector operators, including industrialists, bankers and business moguls, on the urgent need to jointly combat the emerging COVID-19 crisis in Nigeria, particularly as the international crude oil prices were beginning to dip unprecedentedly in decades.

Countries around the world are individually and frantically fighting for themselves and their economies with different approaches peculiar to their environment and needs. In this circumstance, Nigeria is not an exception. The challenge is being a mono-product economy, oil, dwindled fiscal buffers, weak infrastructure, poverty and unemployment. Thus, challenge at hand is everyone's problem that requires every hand on the deck. Godwin Emefiele, had said, "The need for all Nigerians to play a role in this fight cannot be understated as we are quite literally in the fight of our lives. I must highlight the fact that this is not just about bringing money. Your time, your services, your products will all be helpful."

Thus, from the foregoing, coupled with efforts being put in place, suitable to our peculiar needs in combating the virus and immune the economy from crisis, the CBN Governor constituted a coalition, the Coalition of Private Sector Against Covid-19, CACOVID, to support the Presidential Task Force across its response, where he outlined the objectives of the coalition to include mobilising private sector thought leadership; mobilise private sector resources; increase general public awareness, education and buy-in; provide direct support to private and public healthcare's ability to respond to the crisis and support government effort knowing that with the dwindled revenue, the government alone at this period cannot handle this.

On its part to the cause, the CBN announced a N50 billion targeted credit facility stimulus package with 5 percent interest rate, that aims among

others, to cushion the adverse effects of COVID-19 on households and MSMEs, by supporting households and MSMEs whose economic activities have been significantly disrupted by the pandemic, and stimulate credit to MSMEs to expand their productive capacity through equipment upgrade, research and development.

Twin N100 billion credit support intervention for the health sector, seeks to strengthen the industry's capacity to meet potential increase in demand for healthcare products and services. Pointedly, the CBN noted that "the scheme is to provide credit to indigenous pharmaceutical companies and other healthcare value chain players intending to build or expand capacity".

Emefiele further noted that, "the scheme is expected to improve public and private investment in the healthcare sector, facilitate improvements in healthcare delivery and reduce medical tourism to improve foreign exchange conservation".

Obviously acknowledging MSMEs as the heart of any economy, the N50 billion scheme will be financed from the Micro, Small and Medium Enterprises Development Fund (MSMEDF) to cover key economic activities including agricultural value chain, hospitality (accommodation and food services), airline service providers, manufacturing and value addition, trading and any other income generating activities as may be prescribed by the CBN. To accomplish its objective, NIRSAL Microfinance Bank has been chosen as the financial institution for the Scheme.

N100 billion health intervention fund as expected is to be funded from the Real Sector Support Facility-Differentiated Cash Reserves Requirement (RSSF-DCRR) and has Deposit Money Banks and Development Finance Institutions (PFIs) as eligible to disburse the fund.

The CBN action comes against the background of the Governor's pledge on assumption of office in

2014, when he promised to make the Bank a catalyst for economic growth. This underlies several monetary policy measures he had initiated to keep the economy running. He did not stop at that, he announced a N1.1 trillion stimulus package to also support local manufacturing and boost import substitution to ensure that laboratories, researchers, and innovators work with global scientists to patent and produce vaccines.

These efforts were initiated against global monetary and fiscal responses to the debilitating effect of the COVID-19 attacks across the world in general, and Nigeria in particular. In the United States, the Congress approved about \$2 trillion stimulus package in response to the economic impacts of COVID-19. While corporations will be the biggest recipients of the bailout, some of the fund will be paid directly to Americans hit by the pandemic with those directly impacted by the economic effects of COVID-19 have been slated to receive robust government support.

The CBN policy response to COVID-19 has thus provide a calm in the economy, helping manufacturers to continue production and keep plants running to meet domestic demand without arbitrary price hike to account for the rising cost of raw materials. These unprecedented initiatives to support pharmaceutical and healthcare companies are commendable, given the shutdown of countries across the world, the rising spread of the COVID-19 virus in Nigeria, and sustained panic buying of pharmaceutical products domestically.

With the drop in the world price of crude oil to about \$26 p/b, about 47 percent below budget benchmark and revenue expectations, there is therefore an urgent need for the government to complement the CBN initiatives and go beyond its monetary interventions and fashion a pragmatic and actionable fiscal stimulus package to assuage the effects of the lockdown on the poor and businesses.

CBN Spearheads CACOVID to Support PTF on COVID-19 Crisis

By: Ademola Bakare



With the outbreak of the novel coronavirus, COVID-19, the Central Bank of Nigeria is leading deposit money banks and private sector operators in the country to support the federal government in procuring equipment and materials to combat the COVID-19 menace in Nigeria.

The CBN Governor in a press release, stated that the move became imperative after series of consultation and engagement with compatriot stakeholders in the private sector, on the need to support the government in this critical period to whittle down the impact of the virus on the economy.

Mr. Godwin Emefiele speaking on behalf of the Bankers' Committee and the private sector led by businessman, Alhaji Aliko Dangote, said it became imperative to form the Nigerian Private Sector Coalition Against COVID-19, to urgently combat the unfolding virus as it is fast spreading in the world. Stating further, Emefiele said "the federal government has made giant strides in the fight but it is clear that the private sector needs to step in, and support efforts already being made". Giving a

scary statistics of people that have been infected globally which he gave at 499,125, he said China had 81,256; 74,386 in Italy; 73,386 in the USA and 57,197 in Spain with South Africa and Nigeria recording 927 and 51 infections respectively. Emefiele said "we are concerned that this number may rise exponentially in the next two weeks", considering the number of fatalities in China, Italy, USA and Spain recording 3,287, 7,503, 1,062, 4,145 fatalities with Nigeria recording just 1 at the time.

While giving reason for the formation of the Coalition, the CBN governor said the objectives are to mobilize private sector thought leaders, mobilize private sector resources, increase general public awareness, education and buy-in, providing direct support to private and public healthcare's ability to respond to the crisis and support government's effort.

For this cause according to the Governor, about N120 billion is needed to be raised, thus "we are already engaging other important stakeholders in Nigeria and abroad, such as NNPC and players in the oil industry for support" he stressed.

N100bn Pharmaceutical Fund to Support Healthcare Sector

By: **Olusola Amadi**



Pharmaceutical Store

The Central Bank of Nigeria (CBN) as part of proactive measures to support the healthcare sector and cushion the impact of the pandemic coronavirus, Covid-19, on the economy, has issued operational guidelines for the N100 billion credit support intervention for the healthcare industry.

As contained in a circular issued on March 25, 2020, by the Director, Financial Policy and Regulation Department, Mr. Kevin Amugo, the fund was created with a view to strengthen the sector's capacity to meet potential increase in demand for healthcare products and services, and also provide credit to indigenous pharmaceutical companies and other healthcare value chain players intending to build or expand capacity.

The Scheme which will be funded from the Real Sector Support Facility – Differentiated Cash Reserves Requirement (RSSF-DCCR) is expected to increase private and public investment in the healthcare sector, facilitate improvements in healthcare delivery in Nigeria.

The CBN states that the objectives of the Scheme are to - reduce health tourism in order to conserve foreign exchange; provide long-term, low cost finance for healthcare infrastructure development

that would lead to the evolvement of world-class healthcare facilities in the country; improve access to affordable credit by indigenous pharmaceutical companies to expand their operations and comply with the World Health Organisation's Good Manufacturing Practices (WHO GMP); and support the provision of shared services through one-stop healthcare solution to enhance competition, and reduce the cost of healthcare delivery in the country.

The guidelines lists eligible participants under the Scheme to include healthcare product manufacturers, including pharmaceutical drugs and medical equipment; healthcare service providers/medical facilities – hospitals/clinics, diagnostic centres, laboratories, fitness and wellness centres, rehabilitation centres, dialysis centres, blood banks, etc.; pharmaceutical/medical products distribution and logistics services; and other human healthcare service providers as may be determined from time to time by the CBN.

Activities which qualify to be covered under the scheme include manufacturing of pharmaceutical drugs and medical equipment; establishment, expansion and upgrade of basic and specialized healthcare facilities; for medical and pharmaceutical suppliers; medical/pharmaceutical

research and development; distribution of medical/pharmaceutical drugs and supplies; manufacturing of medical/pharmaceutical drugs distribution technology; and any other healthcare activity as may be prescribed by the CBN.

The circular states that loan limit include; Working Capital: 20% of the average of 3 years of the company's turnover subject to a maximum of N500 million per obligor (where the enterprise is not up to 3 years in operation, 20% of the previous year's turnover will suffice); while the term loan is a maximum of N2 billion per obligor.

In addition, the eligible PFIs for the Scheme are Deposit Money Banks (DMBs) and Development

Finance Institutions (DFIs) are to appraise and conduct due diligence on the applications and bankable business plans received from corporate entities. Whereupon approval by the PFI's credit committee, the application shall be submitted to the CBN with relevant documents attached. The CBN will process and disburse funds to the PFIs for onward release to the project. PFIs are to remit interests and principal repayments received to the scheme on quarterly basis.

In order to ensure effective monitoring and reporting of the funds when disbursed, the Bank stated that periodic joint monitoring of the activities financed under the scheme would be conducted by the PFIs and the CBN.

CBN, CACOVID Provide Food Intervention

By: **Okaria Louisa**



Food items for presentation as palliative

The Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele in conjunction with the Private Sector Coalition Against COVID-19 (CACOVID), is set to distribute N23 billion worth of food items to 10 million Nigerians as part of efforts to mitigate the effects of the virus on the people and the economy.

Mr. Emefiele while inspecting an isolation center in Yaba, Lagos State, on April 19, 2020, solicited support from well-meaning Nigerians in order to meet the N50billion target and stated that all donations received by the group from generous Nigerians will be properly accounted for, adding that the names of all donors will be displayed on

the group's website for transparency. In his remarks, the Chairman, Dangote Group, Alhaji Aliko Dangote said the group will buy N23billion worth of food items to be distributed to States in conjunction with the State governments.

The Chief Executive Officer, Access Bank Plc., Mr. Herbert Wigwe said CACOVID would leverage the Dangote food distribution process to ensure that the food items reach the bottom of the pyramid as the group will send representatives across all states of the federation to ensure proper distribution. He added that the items will be branded to ensure that they are not resold and anybody caught doing that will be sanctioned.

Covid-19: CBN Introduces Guidelines for N50bn Targeted Credit Facility

By: **Olusola Amadi**

The Central Bank of Nigeria (CBN) has introduced a N50 billion Targeted Credit Facility (TCF) as a stimulus package to support households and micro, small and medium enterprises (MSMEs) affected by the COVID-19 pandemic.

The broad objectives of the TCF include cushioning the adverse effects of COVID-19 on households and MSMEs; supporting households and MSMEs whose economic activities have been significantly disrupted by the COVID-19 pandemic; stimulate credit to MSMEs to expand their productive capacity through equipment upgrade, and research and development.

Activities covered under the scheme include agricultural value chain activities; hospitality (accommodation and food services); health (pharmaceuticals and medical supplies); airline service providers; manufacturing/value addition; trading; and any other income generating activities as may be prescribed by the CBN.

Qualified households or MSMEs shall submit applications directly to the NIRSAL Microfinance Bank (NMFB); with verifiable evidence of livelihood adversely impacted by COVID-19; existing enterprises with verifiable evidence of business activities adversely affected as a result of the COVID-19 pandemic; and enterprises with bankable plans to take advantage of opportunities arising from the COVID-19 pandemic.

The NMFB will appraise and conduct due diligence on applications; upon satisfactory appraisal of applications, NMFB will forward the applications to the CBN for final approval; and CBN reviews applications and gives final approval for disbursement to NMFB.

The CBN states that the loan amount would be determined based on the activity, cash flow and industry size of beneficiary, subject to a maximum of N25m for SMEs. Households can access a maximum of N3m while working capital would be a maximum of 25 per cent of the average of the previous three years' annual turnover.

The Bank also adds that working capital shall be for a maximum period of one year, with no option for rollover. Term loan shall have a maximum tenor of not more than 3 years with, at least, one-year moratorium. Repayment shall be made on installment basis by the beneficiaries to the NMFB according to the nature of enterprise and the repayment schedule/work plan provided at the application stage.

Also, the interest rate under the intervention, which is scheduled to end by December 31, 2024 shall be 5% p.a. (all inclusive) up to 28th February 2021 and thereafter, the interest on the facility shall revert to 9% p.a. (all inclusive) as from 1st March 2021.

The collateral to be pledged by beneficiaries under the programme shall be as may be acceptable by NIRSAL MFB, but may include any one or more of the following; moveable asset(s) duly registered on the National Collateral Registry (NCR); simple deposit of title documents, in perfectible state; Deed of Debenture (for stocks), in perfectible state; irrevocable domiciliation of proceeds; two (2) acceptable guarantors; Personal Guarantee of the promoter of the business; Life Insurance of the Key-Man, with NMFB noted as the First Loss Payee; and a comprehensive insurance over the asset.

MPC Urges NASS to Pass Revised National Budget

By: **Daba Olowodun**



National Assembly Complex

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria, CBN, in its 129th communiqué, published on Wednesday, April 15, 2020, has urged the National Assembly (NASS) to fully cooperate with the Federal Government in coming up with a budget that reflects the new economic realities of the country.

This comes against the backdrop of the crude oil price crash experienced globally due to the twin elements of the oil price war between Russia and Saudi Arabia, and the global health pandemic, COVID-19.

The Committee noted the weakened revenue position of the Federal Government, arising from

the sharp drop in oil prices. It reiterated the need for government to urgently reduce reliance on oil revenue by gradually diversifying the economy and improving tax collection.

The MPC however noted the speedy response of the Federal Government to the oil price shock by revising the 2020 budget downwards by N1.5 trillion, and the oil price benchmark to US\$30 per barrel. In addition, the Committee noted the introduction of price modulation measures, resulting in reduction in the pump price of PMS from N145 to N125 per litre, and its contributory effect in boosting aggregate demand, lowering inflation and improving the welfare of ordinary Nigerians.

Operations Remain Open While Covid-19 Lockdown Lasts - CBN

By: **Bartholomew Mbaegbu**

Amid partial lockdown declared by the Federal Government of Nigeria in the wake of the COVID-19 pandemic, in two states, Lagos and Ogun and the Federal Capital Territory, the Central Bank of Nigeria (CBN) has assured the public that its operations will remain open to business while the COVID-19 lockdown lasts.

Mr. Isaac Okorafor, the Director, Corporate Communications Department of the CBN, stated this in a Press release issued on March 25, 2020. The Bank's spokesperson stated that the Bank had to trigger its Business Continuity Plan (BCP), which

according to him was necessary to provide seamless services to its stakeholders in view of the lockdown declared by the Federal Government. The statement further stated that the 37 branches of the Bank in the federation and Deposit Money Banks (DMBs) are therefore expected to render skeletal financial services to the public.

For the welfare of the Bank's staff he said, only essential staff of the Bank will report to duty, while other members of staff are to work remotely from their homes with effect from March 25, 2020 till further notice.

CBN Resumes Dollar Sales for SMEs, School Fees

By: **Ruqayyah Mohammed**



FX Transaction

The Central Bank of Nigeria (CBN) has resumed the provision of foreign exchange to all deposit money banks for onward sales to Small and Medium Enterprises (SMEs) and parents wishing to pay school fees of their children abroad.

In a press release dated April 29, 2020, the CBN explained that the development was part of measures aimed at gradual easing of the novel COVID-19 pandemic lockdown, globally, and in the country. It stated that this would make it easy for parents to fulfil their school fees obligations, and

also aid SMEs wishing to make essential imports needed to revamp economic activities in the country. The statement asserted that over US\$100 million per week will be made available for both categories.

Furthermore, the Bank has assured that, complete arrangements had been made to start foreign exchange sales to BDC segment of the market for business travels, personal travels and other designated detailed uses as soon as international flights resume.

The press release which was signed by the Director, Corporate Communications Department, Mr Isaac Okorafor, stated that the Bank is adequately meeting the needs of all legitimate users, noting that its continued capacity to do so should not be in doubt. He further stated that there is no need for end-users to panic as this could necessitate recourse to illegitimate sources and spike in foreign exchange rates.

Mr. Okorafor said that 'the Bank has ramped up its surveillance of foreign exchange markets for speculators, smugglers and other illegal users and will take decisive actions against anyone/institutions involved in such nefarious activities'.

Beware of COVID-19 Fraudsters - CBN Warns

By: **Olusola Amadi**



Secured Transaction Platform

The Central Bank of Nigeria (CBN) has alerted Nigerians of activities of cyber-criminals who are taking advantage of the current Coronavirus pandemic (COVID-19) to defraud citizens, steal sensitive information, or gain unauthorized access to computers or mobile devices using various techniques.

In a press release issued on April 6, 2020, by the Director, Corporate Communications, Mr. Isaac Okorafor, the Bank noted that there had been a rise in COVID-19 related cybercriminal activities and stated that its priority was to ensure that Nigerian banking customers are aware of the ongoing trend and prevent them from falling victim to such cybercrimes.

Some of the COVID-19 related cyber-criminal activities include phishing campaigns with criminals sending out emails claiming to be from health organisations such as the Nigerian Centre for Disease Control (NCDC) or the World Health Organisation (WHO). The email may contain a link which, if clicked, steals login credentials or other

confidential information from the victim's computer or mobile device.

Also, relief package scams in which cyber-criminals call or send messages via social media or emails asking people to provide their banking details to receive relief packages or to click on links to register in order to get their COVID-19 relief packages from the Government or other organisations.

In order to ensure that bank customers and citizens do not fall victim to these cyber-crimes, the Bank has urged the public to beware of, and verify emails or phone calls from individuals or organizations claiming to be from NCDC, WHO or government, especially when such emails request banking information or to click on a link.

In addition, the public is encouraged to avoid downloading mobile apps from untrusted sources; obtain relief packages or other information from trusted news media.

Covid-19: CBN Approves Loan Application Guaranteed by Organised Private Sector

By: **Mohammed Haruna**



Loan Application

The Central Bank of Nigeria (CBN) has given its approval to the Chambers of Commerce and other members of the Organised Private Sector such as Manufacturers Association of Nigeria (MAN), Nigerian Association of Small and Medium Entrepreneurs, among others to guarantee intervention loans applications of their members.

In recognition of the need to ease and fast-track access to loans by credible businesses and SMEs in Nigeria, the approval was given during an virtual meeting on April 17, 2020 between the CBN and representatives of the Organised Private Sector to consider and review conditions for accessing COVID-19 credit facilities approved by the government for Small and Medium Enterprises.

The CBN however restated that the credit facility is only for credible projects noting that beneficiaries or businesses along with their owners must not have outstanding bad or non-performing financial obligations. In his statement, the President of

Abuja Chamber of Commerce and Industry (ACCI), Adetokunbo Kayode (SAN), noted that the new stand by the CBN on SME financing is a commendable development adding that the supportive decision will go a long way to ameliorate the dire circumstances of SMEs in Nigeria. According to him, this would bring about a revolution in the development of the SME sector, expand local business activities and boost the nation's GDP in an era of economic downturn and uncertainty.

He further stated that Nigeria is an SME nation therefore empowering businesses by easing stringent loan access procedures is a major achievement and a critical step towards the amelioration of the damages that the COVID-19 pandemic would have in the economy.

He gave assurances that the ACCI is ready to guarantee its members applications, as well as ensure that the loans were properly invested and repayments made as and when due.

COVID-19: Private Sector Relief Fund Hits N27.1bn

By: **Ademola Bakare**

The Nigerian Private Sector Coalition Against COVID-19 Relief Fund (CACCOVID) has so far received donations totalling N27.1bn to fight the novel coronavirus pandemic.

This was revealed in a statement released recently by the Director, Corporate Communications Department, Central Bank of Nigeria, Mr. Isaac Okorafor, on behalf of CACCOVID indicating that the donations came from 123 private individuals and organisations as at 23 April, 2020. According to the statement, "the Coalition is grateful to all the

institutions and individuals that have open-handedly donated to this fund.

"We urge others to consider contributing to this national solidarity to provide not only medical equipment and materials but also to render urgently needed palliatives to the poor and vulnerable segments of our society.

"We pledge to continually ensure full disclosure and accountability for all donations made. God bless us all", the statement added.

No Fee Required to Access COVID-19 Loan - Okorafor

By: **Daba Olowodun**

The Central Bank of Nigeria (CBN) has admonished members of the public not to pay any processing fee to anyone to access the stimulus package released by the Bank.

The Director, Corporate Communications Department, Mr. Isaac Okorafor, who made the statement in a press release on April 13, 2020, expressed the Bank's dismay to discover that unsavory elements were attempting to fleece members of the public hoping to take advantage of the stimulus package.

He further stated that there are clearly spelt out procedures for accessing the N50 billion Targeted Credit Facility (TCF) stimulus package aimed at supporting households and micro, small and medium enterprises (MSMEs) affected by the COVID-19 pandemic, which are to be disbursed through the NIRSAL Microfinance Bank (NMFB).

He therefore urged members of the public, particularly households and owners of small-scale businesses to disregard any message requiring them to pay any amount to process their applications.

Mr. Okorafor advised prospective applicants to approach NIRSAL Microfinance Bank or any CBN branch nearest to them for clarification on the procedure for accessing any of the CBN-related loans and report any observed irregularities to the Consumer Protection Department of the CBN via cpd@cbn.gov.ng or call 07002255226



Emefiele Inspects Isolation Centre in Lagos

By: Ruqayyah Mohammed



COVID-19 Isolation Centre, Lagos

The Central Bank of Nigeria's Governor, Mr. Godwin Emefiele, has led a delegation of the private sector-led coalition against COVID-19, CACOVID, on an inspection tour of the world class isolation center being built at the Mainland hospital in Yaba, Lagos State.

The isolation center is part of the efforts being made by the private sector coalition against COVID-19 to support federal government's various response to the pandemic. Membership of the coalition include; Aliko Dangote and notable private sector giants as Herbert Wigwe, Jim Ovia, Tony Elumelu, Segun Agbaje, Abdulsamad Rabiu and Femi Otedola.

The CBN Governor in a statement to the press during the tour, assured the public that the entire

process will be transparent, adding that the number of contributors and amount contributed would be audited.

"The CACOVID Communication will put the names of the donors on our website and let the whole Nigeria know. Even if you donated N1, your name will be on the list. On the other side, whatever expenditure incurred, even in buying needles, face mask, etc, will be there on the website. We will make it open for everyone to see."

He further revealed that N25billion had been raised as at the time of the tour, but the target was to raise about N50billion. Brick by brick, pillar by pillar, there is a considerably huge progress on the isolation center.

COVID-19: FG Set to Reopen the Economy

By: Louisa Okaria



Lagos Island Market

The Federal Government has released guidelines to ease the lockdown imposed on FCT, Lagos and Ogun state. This was made public in a circular released on April 30, 2020 by the Secretary to the Government of the Federation, Mr. Boss Mustapha. According to the SGF, the gradual reopening of the economy will span a total of six weeks, broken into 3 sections of two weeks each.

Part of the gradual reopening of the economy as contained in the circular is the imposition of a nationwide curfew from 8.00pm to 6.00am and partial reopening of selected government offices and private sector businesses between 9.00am to 2.00pm daily. This, according to the SGF would give room for improvement in the economic activities. He stated that the wise approach to reopening would provide advantage of flexibility and allow a rapid and effective response to any change in the situation.

The Federal Government has therefore advised states governors, ministers and management of various offices to strictly ensure compliance to

NCDC guidelines to ensure continuous safety and minimise the risk of spread. "All organizations are to ensure regular washing of hands with use of hand sanitizer, mandatory use of face mask, physical distancing in the workplace. People with underlying health conditions, such as diabetes, high blood pressure, asthma, cancer and tuberculosis are advised to remain at home".

The Federal Government said that the decision on progression to subsequent phases would be subject to evaluation by federal and state governments along with guidance from NCDC. Meanwhile, inter-state travels have been banned except for the movement of food items, agricultural products, petroleum and those on essential services. Schools, sports centers, religious gatherings, hospitality services, concerts and social parties are to remain closed.

The commencement of phase two will be decided 2 weeks from May 4th, 2020 and subsequent reopening of the economy will be subject to decision by the states and Federal Government in conjunction with the NCDC.

No Staff Retrenchment by Banks; CBN Reassures

By: **Mohammed Ruqayyah**

The Central Bank of Nigeria (CBN) has assured Nigerians that no bank in the country shall retrench or lay-off any of their staff. This was the outcome of a special meeting of the Bankers' Committee convened to further review the implications of the COVID-19 pandemic on the Nigerian banking industry.

The committee deliberated on issues of operating cost of banks in view of the disruptions caused by the global economic difficulties and decided that in order to help minimize and mitigate the negative impact of the pandemic on families and livelihoods,

no bank staff in Nigeria will be laid off contrary to public speculations. In a press release signed by the Director, Corporate Communications Department, Mr Isaac Okorafor, it stated that deposit money banks shall therefore seek the express approval of the CBN in the event that it becomes absolutely necessary to lay off any staff.

The CBN however solicits the support of all stakeholders to collectively weather through the economic challenges occasioned by the COVID-19 pandemic.

CBN Lifts Temporary Suspension of Cheque Clearing

By: **Olusola Amadi**



Cheque clearing machine

As part of its efforts in the development of a safe and efficient payments system in Nigeria, the Central Bank of Nigeria (CBN) has lifted the temporary suspension it placed on cheque clearing in the country with effect from Tuesday, April 28, 2020.

In a circular issued by the Director, Banking Services Department, Mr. Sam Okojere, to all Deposit Money Banks and Nigeria Inter-Bank Settlement System (NIBSS), the CBN in collaboration with relevant stakeholders has reviewed the need for cheque clearing to

accommodate users of cheque as one of the payment instruments in Nigeria, despite the lockdown of some states and FCT.

Therefore, the Bank directs all DMBs to advise their customers accordingly as cheque instruments will be allowed to pass through the clearing system with effect from April 28, 2020. The Bank had earlier suspended the clearing of cheque instruments in the Nigerian clearing system with effect from March 31, 2020 due to the lockdown mandated by the Federal Government in Lagos, Ogun and the Federal Capital Territory.

CBN Publishes Rule Book

By: **Daba Olowodun**

The Central Bank of Nigeria (CBN) has published the CBN Rule Book; a compendium of its policies and regulations from the Bank's inception on July 1, 1959 to end-December, 2018, in three volumes.

According to the CBN Governor, Mr. Godwin Emefiele, who wrote the forward, the publication will serve as a point of reference to all stakeholders, particularly banks and other financial institutions, to guide their actions and compliance, and for economic agents to anchor their expectations in line with the direction of monetary policy.

Mr. Emefiele further highlighted the Bank's efforts in keeping with global central banking standards, to adopt forward guidance as a major approach in monetary management. Consequently, the Bank

had since pursued an agenda of transparency and accountability to all stakeholders, including other regulators, market operators, investors and members of the public.

He stated that the compendium was intended to enhance the motive of facilitating easy access to previous and existing policies and guidelines of the Bank, and to complement other channels that had been in use for the dissemination of all measures and actions taken in the course of time.

Mr. Emefiele also promised that going forward; the Rule Book would be updated and issued periodically even as the Bank works to ensure that its policies and guideline are readily available to all. Copies of the Rule Book can be found on the Bank's website; www.cbn.gov.ng.

MFBs: Minimum Capital Requirement Deadline Extended

By: **Bartholomew Mbaegbu**

The Central Bank of Nigeria (CBN), has extended the deadline for compliance with the minimum capital requirements for Microfinance Banks (MFBs) in Nigeria. This according to the Bank, was in consideration of the impact of the Coronavirus pandemic (COVID-19), on the economic activities in the country.

The Bank's decision was communicated to all microfinance banks in Nigeria through a circular: FPRD/DIR/GEN/CIR/07/054, dated April 29, 2020.

Stating further, the circular said that all Microfinance Banks (MFBs) operating in rural, unbanked and underbanked areas (Tier2) shall meet the N35million capital threshold by April 2021 and N50million by April 2022; while MFBs operating in urban and high density banked areas (Tier 1) shall meet the N100million capital

threshold by April 2021 and N200million by April 2022. The circular also directed States MFBs to increase their capital to N500million by April 2021 and N1billion by April 2022; while National MFBs must increase their minimum capital to N3.5billion by April 2021 and N5billion by April 2022.

The review in the minimum capital requirements of MFBs was as a result of the inability of the MFBs in the country to meet the critical targets set out in the microfinance banks policy, hence the need for specific reforms to strengthen the subsector and reposition it towards improved performance.

The key focus of the MFBs, amongst others, is to increase financial inclusion rate in the country; improved access to financial services for the economic active rural poor; and pursue poverty eradication.

FOREX: Emefiele Assures Investors of Security

By: Ademola Bakare



Forex trading

The Central Bank of Nigeria (CBN) Governor, Mr. Godwin Emefiele, has assured investors of the security of their investments in Nigeria despite dwindling oil revenue in the country and the world at large.

Mr. Emefiele spoke in Abuja, assuring that investors interested in repatriating their funds from Nigeria were guaranteed to get their money, notwithstanding the dip in revenue from crude oil. According to him, the Bank had put in place policies to ensure an orderly exit for those that might be interested in doing so.

The Governor however urged investors to be patient as such repatriation are processed, owing to the Bank's policy of orderly exit of investments.

Recalling a similar situation which occurred in 2015 over declining revenue, Emefiele said that the CBN was able to settle all commitments in an orderly manner.

Stressing further, the Governor said the available foreign exchange would be devoted to strategic importation or service obligations that are of priority.

Speaking on the Bank's plan to tackle COVID-19, he said the CBN, in collaboration with the Federal Ministry of Industry, Trade and Investment, was committed to galvanize the manufacturing sector in a bid to reset the economy.

He disclosed that CBN had met with deposit money banks, manufacturers in the health sector and the larger manufacturing group on the challenge posed by the pandemic which according to him has necessitated the fiscal and monetary authorities to work together to moderate the health and economic impact of the COVID-19.

Emefiele noted that the pandemic has presented Nigeria with an opportunity to reset the economy and as such there was the need for the country to prepare itself to get the manufacturing sector to work, while the banking sector supports the economy.

With the revenue from crude oil dropping, the CBN Governor as often reiterated, said Nigeria had no choice now but to diversify its economic base. He said the time had come for Nigerians to produce what can be produced in the country and consume what is produced in the country.

COVID-19 Exposed Nigeria's Economy to Triple Shocks - Emefiele

By: Ademola Bakare



Broad Street, Lagos

The Central Bank of Nigeria (CBN) Governor, Mr. Godwin Emefiele, has assured investors of the security of their investments in Nigeria despite dwindling oil revenue in the country and the world at large. Mr. Emefiele spoke in Abuja, assuring that investors interested in repatriating their funds from Nigeria were guaranteed to get their money, notwithstanding the dip in revenue from crude oil. According to him, the Bank had put in place policies to ensure an orderly exit for those that might be interested in doing so. The Governor however urged investors to be patient as such repatriation are processed, owing to the Bank's policy of orderly exit of investments.

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FREQUENTLY ASKED QUESTIONS (FAQs)

1. Why is the CBN the only bank that can produce the Naira?

Section 2b and Section 17 of the CBN act gives the CBN the sole right to issue currency notes and coins throughout Nigeria and neither the Federal Government nor any state Government, Local Government, other person or authority shall issue currency notes, banknotes or coins or any document or token payable to bearer on demand being document or token which are to pass as legal tender. Section 18 of the CBN act also gives CBN the power to print banknotes and mint coins.

2. Are machines for printing money available for purchase by the public?

No. The machines are only available to issuing authorities on request.

3. What Department of the CBN is responsible for the printing of money?

Currency Operations Department.

4. What is the purpose of printing polymer notes?

To extend the life span of the banknotes as the polymer notes lasts three times longer than the paper banknotes.

5. How long does the polymer note last?

18 to 24 months.

6. Where can one change currency notes?

Deposit Money banks (DMBs) and CBN.

7. Can coins be deposited in the Banks?

Yes.

8. How are new currencies circulated?

CBN evacuates the finished banknotes from Nigerian Security Printing & Minting (NSPM) Plc

for distribution to all CBN branches. The branch further distributes the banknotes to DMBs where they are finally released to the public via withdrawals.

9. Why are there no new currencies in circulation?

Analysis of the currency in circulation showed that a large and increasing proportion of the Nigerian currency outside the commercial banking system (COB) is held by the general public who hoard a lot of the new banknotes.

10. Why are the lower denomination banknotes scarce?

The scarcity of lower denomination could be linked to the fact that these notes are held by the public. Absence of Automated Teller Machines (ATM) dedicated to dispense lower denominations has also contributed to the dearth of lower denomination in circulation.

11. Why are there huge numbers of dirty One Hundred Naira notes in circulation?

Handling habits of the general public such as, squeezing, staining, spraying etc. greatly contributes to soiling of the banknotes.

12. In view of the fact that our politicians and leaders abuse the naira at rallies and public events, how do we expect the people to treat the naira with care?

CBN constantly sensitizes the general public, politicians and leaders through public enlightenment campaigns through the print and electronic media on how to properly handle the naira. Further sensitization campaigns are arranged to engage politicians, leaders and other respected elders to make them change champions of the Bank's Clean Notes Policy. This would enable the public follow suit.



**Agriculture is growing and
our economy is getting better**

Gradually our economy is reaping the fruits of agriculture, but we still have a long way to go. That is why the Federal Government of Nigeria is partnering with other agencies of the government to implement programmes and interventions to provide cheaper and more accessible funding for the agricultural sector. Get involved and tap into these initiatives today, so together we can further grow the nation's economy.

COME, LET'S GROW NIGERIA TOGETHER

**To access any of the Agricultural and other initiatives,
visit the CBN branch nearest to you.**

- **ABP** - Anchor Borrowers Programme
- **MSMEDF** - Micro, Small and Medium Scale Enterprises Development Fund
- **NIRSAL** - Nigeria Incentive Based Risk Sharing for Agricultural Lending
- **AADS** - Accelerated Agricultural Development Scheme
- **RSSF** - Real Sector Support Fund
- **CACS** - Commercial Agriculture Credit Scheme
- **ACGSF** - Agriculture Credit Guarantee Scheme Fund

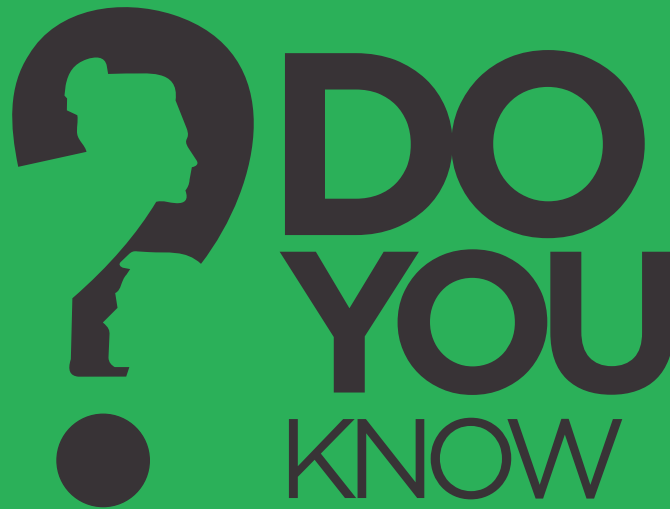
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Central Bank of Nigeria



Discretionary Monetary Policy: These are deliberate actions taken by the monetary authority to influence money supply in the system with a view to achieving its mandates.

Direct Monetary Policy: This involves the use of quantitative monetary controls such as credit ceilings, credit rationing and statutory liquidity ratios to control the amount of money in circulation.

Indirect Monetary Policy: This involves the use of market based instruments such as open market operations for the implementation of monetary policy.

Price stability: In an economy this means the general price level does not change much over time. Prices neither goes up or down.

Exchange Rate Channel: This arises when the exchange rate become the intermediate policy variable for transmission of monetary policy impulses.

Interest Rate Channel: This is a monetary policy transmission mechanism channel where by changes to the policy are propagated through interest rates to inflation.

That if you make a complaint to your bank, you must insist on getting the Consumer Complaint Management System (CCM) tracking number from your bank? This will enable the Central Bank Nigeria do a follow up.

That if you make a complaint to your bank on card related and funds transfer issues, and it is not resolved after 72 hours, you can contact the CBN by sending an email to: cpd@cbn.gov.ng, contactcbn@cbn.gov.ng or call +234 7002255226

That if you make a complaint to your bank on account management issues and is not resolved after 14 days grace period stipulated the by Central Bank of Nigeria (CBN), you can contact the CBN by sending an email to: cpd@cbn.gov.ng, contactcbn@cbn.gov.ng or call +234 7002255226

That if you make a complaint to your bank on excess charges and was not recitifed within 30 days allowed for resolution, you can contact the CBN by sending an email to: cpd@cbn.gov.ng, contactcbn@cbn.gov.ng or call +234 7002255226

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