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CBNUPDATE

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Emefiele Unveils First Maize Pyramid in Nigeria

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Editor's Note

We welcome our esteemed readers to the June edition of **CBNUPDATE**.

For some, being the end of the first half of the year, it is customary to take stock and evaluate opportunities and prospects as well as options adopted in the course of the year so far. In our own evaluation, we re-affirm our commitment to enhance the quality of information on the programmes and activities of the Bank; help deepen your understanding of these events and give razor-sharp insights on issues surrounding the operations of the Bank.

It has been seven years since Mr. Godwin Emefiele assumed duty as the Governor of the Central Bank of Nigeria (CBN). In this edition, our news analysis focuses on Emefiele's seven years of central banking.

Also in this edition, we bring to you a classical example of the CBN living up to its vision of being a model central bank as it offers to provide technical assistance to the Central Bank of The Gambia.

Still in this edition, we bring you cheery news of the CBN Governor's tour of the Dangote Refinery and Sugar Plant; the unveiling of the first maize pyramid in the country; revival of the Cotton, Textile and Garment Industry; and the CBN assuring commercial banks of forex liquidity for invisibles.

Also, in this edition, we feature a news item where the CBN Deputy Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad, charges stakeholders in the financial sector to ensure the involvement of a robust and actionable National FinTech Strategy for the country.

Happy reading, and please do not forget to share your feedback!

Osita Nwanisobi
Editor-in-Chief

A handwritten signature in black ink, appearing to read 'Osita Nwanisobi', written in a cursive style.

Osita Nwanisobi
Editor -in- Chief

Emefiele Unveils First Maize Pyramid in Nigeria

By: **Ali Abubakar**



Unveiling of the first Maize Pyramid in Katsina State

The Governor, Central Bank of Nigeria (CBN) Mr. Godwin Emefiele, has unveiled the nation's first maize pyramid in Katsina, saying that the event symbolises Nigeria's commitment towards enabling self-sufficiency in maize production by the year 2022. The Governor also warned that attempts to import maize into the country would henceforth be frustrated.

Speaking at the unveiling of the first maize pyramid and flag-off of the 2021 maize wet season farming under the CBN-MAAN Anchor Borrowers' Programme (ABP), Emefiele said that the partnership aimed to explore the potentials in agricultural commodity associations and to position them as the nucleus for enhancing agricultural productivity in Nigeria.

He noted that linking the commodity associations to the innovative financing model under the ABP, helped to deliver quality inputs and mechanisation services to farmers at affordable prices.

While disclosing that the partnership only targeted 100,000 hectares for maize cultivation in 2019, and

250,000 hectares in 2020, Emefiele said that the target for 2021 wet season would further increase to 500,000 hectares.

To achieve this target, the Bank, in partnership with MAAN, would introduce the use of contiguous land, high yielding seeds, mechanisation, leveraging on technology for land mapping and monitoring, as well as expanding the Strategic Maize Reserve (SMR), the Governor stated.

Speaking further, Emefiele said that the reserve would allow the Bank to aggregate maize in lieu of expected cash repayment from the anchors funded through the ABP. He added that the maize collected would be kept in the reserve for periodic release into the market through major feed producers.

The Governor said that the intervention by the Bank would ensure price stability as well as improved availability of staple food items. Under that arrangement, he said, the Bank had already released 100,000 metric tonnes of maize to the market through the major producers.



Governor, Katsina State, Alhaji Aminu Masari performing the unveiling ceremony supported by the CBN Governor, Mr. Godwin Emefiele

Emefiele also stated that repositioning of the Nigeria Commodities Exchange (NCX) was to further enhance the growth of the nation's agricultural sector by making it operational in the fourth quarter of 2021.

The NCX, according to him, was expected to improve the speed of conducting transactions between farmers, commodity associations and off-takers, even as it will also enable better price discovery and provide hedging instruments that will protect farmers from volatility in prices.

The Governor therefore urged youths in the country to embrace agriculture, promising that the Bank would assist the youth in that regard. He added that a model of agri-business like that of Babban Gona in Kaduna State, would help youth achieve financial independence.

Emefiele allayed fears of people desirous of engaging in maize farming that under the ABP, the problems of fertilizer for different produce, low yield in the produce and importation would soon be things of the past.

Also speaking, the Kebbi State Governor, Alhaji Abubakar Atiku Bagudu, who represented President Muhammadu Buhari, reassured the farmers, processors, and other value chain

participants, of government's support towards ensuring their optimal performance.

In his remarks, the Governor of Katsina State, Alhaji Aminu Bello Masari, lauded the MAAN for co-hosting the event, and commended President Buhari's effort at reviving the country's agricultural sector.

Also in his speech, the Governor of Jigawa State, Alhaji Badaru Abubakar, attributed the success of the national fertilizer programme to Emefiele's astuteness. He also described the CBN Governor as a consummate industrialist and an all-round banker, saying that the nation had no word to thank him for all he had done to support the agricultural sector.

Earlier in a welcome address, the National President, MAAN, Dr. Bello Abubakar Annur, praised his members for achieving 80% loan recovery rate in 2020, urging them to do more in the year 2021 to encourage more commitment from the CBN.

The event had on display 10 pyramids of cultivated maize heaped within the pitch-side of the Late Ahmadu Na-Funtua Stadium in the metropolitan Katsina, which represented 10 percent of the total harvest for the year 2020 ■

News Analysis

Emefiele's Seven Years of Central Banking

By: Ademola Bakare



CBN Governor, Mr. Godwin Emefiele

The Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele is a foremost development economist, with a quest to bequeath a central bank that is professional, apolitical, and people-focused in addition to building a resilient financial system that can serve the growth and development needs of the country.

Acknowledging successes recorded by his predecessors in financial stability, low inflation, exchange rate stability, efficient payments system and consistent monetary policy, the Governor on assumption of office on June 4, 2014, noted that he would leverage those gains to champion policies that will promote macroeconomic stability.

Emefiele never left anyone in doubt of his desire to chart a trajectory that distances from the ordinary. This came from the twin problems of endemic poverty and distressing youth unemployment pervading the country.

His steely focus on delivering the Bank's mandate of ensuring economic stability, reflected in his unabashed passion and commitment for a better Nigeria, inspired the rollout of interventions windows across critical sectors of the economy - agriculture, power and electricity generation, aviation, Textile, Cotton and Garment (TCG), and healthcare.

Barely a year in office in 2015, the CBN under Emefiele's leadership, introduced the audacious Anchor Borrowers' Programme (ABP), a policy necessitated by the dwindling fortunes of the country from oil revenue, Nigeria's mono-product, and major source of revenue.

To fend for itself, Nigeria, a country naturally endowed with material and human resources had embarrassingly embraced the taste for products and services of other nations at the detriment of its economy. This taste had led to the exportation of

jobs, created wealth in other nations and drained the country's scarce foreign reserves.

These precarious uncertainties birthed the policy that suspended 41, and later 43 items, from accessing foreign exchange at the official forex window in order to protect and encourage their local farming and production, thus urging Nigerians to return to agriculture. To date, as part of the backward and forward integration policy of the Bank, 3,107,949 smallholder farmers have so far benefitted from the Anchor Borrowers' Programme window as at April 2021.

Notably also, the launch of Youth Entrepreneurship Development Programme (YEDP) in 2016 by providing credit to harness the entrepreneurial skills and innovative capacities of the youth through a well-structured business model. As at May 28, 2021, the programme had enrolled 585,593 beneficiaries and had received N462,722bn in credit support from its interventions windows for MSMEs.

His aggressive pursuit of economic diversification got the backing of President Muhammadu Buhari, and his collaboration with the fiscal authority had largely made him successful on his mission. His re-appointment as the Governor of the Central Bank of Nigeria is a testament to this fact.

In 2020, the year began on a promising note as economic indices and increased activities arising most especially, from the CBN sustained interventions in agriculture, and Small and Medium Enterprises (SMEs) raised expectations on the positive outcomes for the economy.

The unexpected outbreak of the COVID-19

pandemic halted that trajectory. Nations shut their borders, and banned export of commodities, particularly rice. It is best left to the imagination what would have happened to Nigeria if the CBN intervention programmes and policies were not in place.

To mitigate the adverse effect of the outbreak on the economy, Governor Emefiele and his team, in quick succession rolled out targeted facilities, starting with a N50bn Targeted Credit Facility (TCF), followed by a N100bn credit support for healthcare sector to mitigate the effects of the pandemic.

Barely a year in office in 2015, the CBN under Emefiele's leadership, introduced the audacious Anchor Borrowers' Programme (ABP), a policy necessitated by the dwindling fortunes of the country from oil revenue, Nigeria's mono-product, and major source of revenue.

Knowing he could not do it alone; he rallied the private sector stakeholders on a rescue mission. A private sector task force, the Coalition Against COVID-19 (CACOVID) was set up to assist the government and its agency, the Nigeria Centre for Disease Control (NCDC) and the World Health Organisation (WHO).

The CACOVID spearheaded the task of pooling resources across industries to provide technical and operational support as well as funding to build advocacy through aggressive awareness campaigns.

In his role as the CBN Governor, Emefiele has witnessed some dramatic twist of events and challenges. Steering the nation out of two economic recessions was no mean feat.

Interestingly, the technique he deployed in resolving these challenges were ingenious, rather far from usual expectations. This, to a reasonable extent, is attributable to his leadership style and strategy since he stepped into office in 2014. ■

Banks Get Boost in Forex Allocation for Invisibles

By: Ademola Bakare



Marshallstrategy.com

The Central Bank of Nigeria (CBN) has firmed up arrangements to increase the amount of foreign exchange allocation for banks to meet genuine requests of Nigerians, specifically customers requesting forex to travel, payment of tuition and medical fees, among other invisibles.

This follows a warning issued by the Governor, Mr. Godwin Emefiele, at a meeting with Chief Executive Officers of Deposit Money Banks over the challenge faced by customers in accessing forex from banks. He cautioned them to desist from denying customers, particularly travellers, the opportunity to purchase forex.

According to him, "This is foreign exchange for the purposes of Personal Travel Allowance (PTA), Basic Travel Allowance (BTA), tuition fees, and medical payments, as well as Small and Medium Enterprises (SMEs) transactions or for the repatriation of Foreign Direct Investment (FDI) proceeds, as the Bank would not hesitate to take action against any infraction".

Mr. Emefiele frowned at the difficulty customers experienced in accessing forex, suggesting the release of hotlines for aggrieved customers to report banks that fail to sell forex to them even after providing valid documents.

The Ag. Director, Corporate Communications Department, Mr. Osita Nwanisobi, in a press statement, said that the Bank remained committed to ensuring liquidity in forex market to meet genuine and legitimate demands of customers.

"The CBN agreed to increase the amount allocated to banks for travellers, Small and Medium Enterprises, among others. The banks also agreed to operate something akin to foreign exchange imprest account, such that the coffers of banks would be replenished so long as they retire the initial amount to the satisfaction of the CBN".

The Ag. Director therefore urged interested members of the public seeking to purchase foreign exchange for PTA, BTA, and payment of tuition or medical fees to approach their respective banks for that purpose. "We wish to assure members of the public that the CBN shall continue to monitor market developments and was committed to ensuring an efficient FX market for all legitimate users", he said.

He urged them to forward their complaints to the Central Bank of Nigeria via the Bank's toll free line: 07002255226 or send an email to: cpd@cbn.gov.ng if their requests are not met. ■

CBN Fair: Emefiele Advocates Sustained All-Inclusive Economic Growth

By: **Onyemakonor Ogbe**



The Ag. Director, Corporate Communications Department delivering an address on behalf of the CBN Governor at the Fair

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has urged Nigerians to look inward to grow and develop the economy.

Mr. Emefiele said this on Thursday, June 10, 2021 at the commencement of a two-day Sensitization Fair which held simultaneously in Lagos and Abeokuta, respectively.

Mr. Emefiele, who was represented by the Acting Director, Corporate Communications Department of the Bank, Mr. Osita Nwanisobi, said that nations looking inward had guaranteed sustained all-inclusive economic growth that led to the creation of employment opportunities and helped in reducing poverty.

The Governor added that the Bank had rolled out a total of 37 interventions programmes aimed at salvaging different sectors of the economy. Mr. Emefiele said that the CBN, as a people-centered Bank, sought to give citizens the opportunity to succeed by creating avenues for them to participate in activities that lead to economic growth and development.

He said that the CBN Sensitization Fair created an opportunity for the Bank to interact with citizens on its various initiatives, interventions, policies and

programmes, as well as enable it get feedback from them.

The Branch Controller, Abeokuta Branch, Mr. Wahab Lanre Oseni, who addressed the participants, said the CBN fair also sought to give all stakeholders an idea what the Central Bank of Nigeria does and how her operations can influence and benefit the life of every Nigerian.

Also speaking on the proper handling of the Naira, an Assistant Director in the Currency Operations Department, Mr. Aladeen Badejo urged Nigerians to consider Nigeria's currency as a symbol of national identity.

Mr. Badejo, who stressed the need to handle the banknotes with care and dignity, expressed concern over the huge amount being spent on reprinting them. He warned that "abuse of the currency attracts a penalty of not less than six months or a fine of not less than N50,000 or both". Presentations were made by Mr. Lanre Gbadamosi of the Consumer Protection Department; Mr. Waiyeola Ajakaiye of Payments System Management Department; and Mr. Abiodun Okunola of Development Finance Department.

A highlight of the event was the question and answer session.

CBN Restates Commitment to Price Stability

By: **Auwalu Alhaji**

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has restated the commitment of the Bank towards ensuring price stability by financing agricultural commodities especially rice, and other commodities.

He gave the assurance during the commencement of the 2021 Paddy Distribution Exercise at Farin Gida Mando, Kaduna, noting that the Bank, in collaboration with the Rice Farmers' Association of Nigeria (RIFAN), was set to distribute 27,000 metric tonnes of rice paddies directly to the millers nationwide, with the aim of reducing the price for the benefit of common man in Nigeria.

Mr. Emefiele, represented by the Branch Controller, CBN Kaduna, Ahmed Muhammed Wali, disclosed that Kaduna State was selected as the key location for the paddy allocation exercise to be carried out simultaneously in 16 States that recorded the highest quality of rice harvest during the last farming season.

He noted that the new strategy was to crash the price of the staple food in line with the Bank's mandate of ensuring price stability.

He also urged the beneficiaries of the Anchor Borrowers' Programme loan facilities, especially rice farmers, to repay their loans promptly to enable other farmers benefit.

In his remarks at the event, the Director, Development Finance Department, CBN, Mr. Yila Yusuf, represented by Mr. Chika Nwanja, said that the Bank intended to eliminate middlemen from the sale of rice to processors in order for Nigerians to buy at cheaper prices.

Also speaking, the National President of the Rice Farmers' Association of Nigeria (RIFAN), Alhaji Aminu Goronyo, said the distribution of the paddy, which was ongoing in 16 States of the Federation, was being sold at a subsidized rate of N190 per kilogram to millers, to enable them mill and sell rice to consumers at affordable prices.

"Paddy was sold to rice millers at N190 per kilogram as against the price range of N200 and N230 per kilogram sold elsewhere. The directive came from the CBN that the price be subsidised so that, the millers can sell to Nigerians at a cheap rate", he said ■

CIFI Gets N3.1b Loans for 341 Projects

By: **Onyemakonor Ogbe**

The Central Bank of Nigeria (CBN) has disbursed the sum of N3.1b under the Creative Industry Financing Initiative (CIFI) as loans to finance 341 projects.

A statement obtained from the Development Finance Department, indicated that as at May, 2021, the movie distribution vertical area got the biggest share of N1.7b, which represents 53.41 per cent of the total sum, while the Software Development sector got the sum of N920m, which was 28.77 per cent of the disbursement.

Movie Production got a share of N264m, representing 8.28 per cent, while Fashion and Information Technology (IT) vertical areas got the sums of N175m and N130m, representing 5.47 per cent and 4.06 per cent, respectively.

The Creative Industry Financing Initiative (CIFI) loan scheme was developed by the Central Bank of Nigeria (CBN) in collaboration with the Bankers' Committee to provide access to long-term and low-interest financing for entrepreneurs in the creative industry including Movies and Information Technology. The CIFI loan scheme was part of effort to boost job creation among the teeming youth population of the country.

The intervention scheme also aimed at increasing access to finance by non-interest institutions and promoting financial inclusion in Nigeria as well as harnessing the entrepreneurial potential of the youth within the Nigerian creative and IT sub-sectors for economic development. It also seeks to complement other development finance initiatives of the CBN to accelerate financial inclusion ■

Emefiele Lauds Dangote Refinery, Plant

By: Ademola Bakare



The Governor of CBN, Mr. Godwin Emefiele inspecting urea fertilizer at Dangote fertilizer plant in Lagos.

The Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele says that the Dangote Petroleum Refinery and Fertiliser Plants will save Nigeria \$3 billion of import expenses annually, thereby conserving scarce foreign exchange.

He made the disclosure during a tour of the refinery and plants in Ibeju-Lekki, Lagos on Friday, June 4, 2021. Emefiele stated that petroleum products constituted about 25 per cent of Nigeria's total annual imports in terms of forex demand.

Noting that imports impact negatively on GDP, he expressed joy that, with the commencement of production in the first quarter of 2022, the refinery would not only save Nigeria about \$3 billion in import expenses but would also boost GDP growth. According to the Governor, Nigeria needs to conserve foreign exchange, reduce imports, and

produce goods that can be produced locally and consumed locally, thereby promoting a solid import substitution that will grow the economy.

Emefiele inspected the refinery and fertilizer plants in company of the Chief Executive Officers (CEOs) of five banks that provided financing for the projects. The CEOs are Ebenezer Onyeagwu of Zenith Bank; Herbert Wigwe of Access Bank; Segun Agbaje of GTBank; Sola Adeduntan of First Bank; and Kennedy Uzoka of UBA. The trip accorded the bankers an opportunity for a final inspection of the fertilizer plant before it commenced full operation.

Emefiele further stated that the fertilizer plant was ready to flood the Nigerian market with fertiliser and export the excess. He said that the fertiliser plant had 3 million tonnes of urea for sale, which according to him, would be added to the existing



The Governor of CBN, Mr. Godwin Emefiele addressing the Press at Dangote Refinery, Petrochemical and Fertilizer Plants



The Governor of CBN, Mr. Godwin Emefiele on inspection tour of Dangote Refinery, Petrochemical and Fertilizer Plants



(L-R): The CEO of First Bank, Mr. Sola Adeduntan; CEO of Zenith Bank, Mr. Ebenezer Onyeagwu; Governor of CBN, Mr. Godwin Emefiele; President of Dangote Group, Alhaji Aliko Dangote; CEO of UBA, Mr. Kennedy Uzoka; CEO of Access Bank, Herbert Wigwe; Senator Sabo Nakudu and CEO of GTBank, Mr. Segun Agbaje

capacity from Indorama, which was about 1.5 million metric tonnes and Notore of about 300 metric tonnes in Nigeria. This, he pointed out, would bring the total close to five million metric tonnes capacity of urea.

Emefiele, who was visibly excited about the progress of work at the facility, said that the \$17 billion project nurtured by the CBN and banks was becoming a reality. He expressed delight that the plant would start the supply of fertilizer to the market by Monday, June 7, 2021.

Also speaking during the visit, the President of the Dangote Group, Alhaji Aliko Dangote commended Emefiele and the banks' CEOs for their encouragement and support towards realising the vision. He noted that the urea produced at the plant was a small percentage of the gas being flared in the country. According to him, "it means that with just 3 million metric tonnes of urea, we are talking about bringing in over \$1.2 billion into the country."

Alhaji Dangote added that having satisfied all the requirements and obtained licences from the relevant agencies, urea fertiliser would be in the market soon and start yielding dollars through exports by the end of the month.

Responding on behalf of the banks' CEOs, the Managing Director of Access Bank, Herbert Wigwe expressed joy at the size and success of the project. He said that the refinery and petrochemical plants were huge, about the largest in Africa, and beyond what the bankers imagined when they agreed to finance the project.

He said that they were proud, as Nigerian bankers, that they were able to contribute towards the realisation of such an important project in the Nigerian economy. ■

DG Ahmad Tasks Stakeholders on National FinTech Strategy

By: **Onyemakonor Ogbe**



CBN Deputy Governor, FSS, Mrs. Aishah Ahmad Addressing the Virtual Meeting

The Deputy Governor in charge of Financial Systems Stability, Central Bank of Nigeria (CBN), Mrs. Aishah Ahmad, has tasked stakeholders in the financial sector to ensure the development of a robust, inclusive, and actionable National FinTech Strategy that is fit-for-purpose.

Mrs. Ahmad gave the charge recently at the kick-off virtual meeting for development of the National FinTech Strategy in Nigeria in collaboration with the Alliance for Financial Inclusion (AFI). She urged all stakeholders to invest time and needed resources to the development of the National Fintech Strategy for the overall benefit of users of financial services, the financial system, and the nation at large.

Recalling that the development of a National Fintech Strategy was a resolution of the National Financial Inclusion Steering Committee, she said that the Committee sought to provide a concerted approach in leveraging fintech and innovative approaches to drive financial inclusion amongst the

underserved population.

According to her, Digital Financial Services (DFS) were at the core of FinTech strategy that would be used to drive broader development in the financial ecosystem. She noted that these services were key in driving financial inclusion by reducing cost to serve, increasing transaction efficiency, and improving security and transparency of financial services.

Highlighting the effort of the CBN in this regard, Mrs. Ahmad said that the Bank was evolving legal and regulatory frameworks, as well as the development of enabling infrastructure such as payments system to support DFS in the country.

She added that the development of payment service bank guidelines, the Bank's issuance of three licenses, redesign of supervisory and open banking framework to broaden the range of financial products and enable the sharing of data across the banking and payment ecosystem.



jakeriley.org

The Deputy Governor, while appreciating the Alliance for Financial Inclusion (AFI) on its continued support for financial inclusion, particularly across jurisdictions, urged full commitment from participants to ensure the success of the project.

In his remarks at the virtual meeting, the Executive Director, Alliance for Financial Inclusion (AFI), Dr. Alfred Hannig, commended Nigeria for its role in pushing the attainment of financial inclusion goals.

Dr. Hannig said that since the CBN became a member of the AFI in 2010, it had demonstrated leadership, innovative spirit, capability, pioneering activities, participation, and knowledge exchange.

The Executive Director congratulated CBN and stakeholders for moving Nigeria forward in its inclusion target by an additional 5.2 million adults, from 48.4 million to 53.6 million, representing 50.5 per cent of the adult population who were now formally included in the financial system.

On the global context, Dr. Hannig said that the Sochi accord in 2018, now known as Inclusive FinTech, had paved way for AFI engagements to attract all who were disproportionately excluded financially into some form of financial system.

The AFI Boss therefore pushed for the application of what he called a strong relevance to financial inclusion filter as Nigeria considered ways to harness FinTech and innovation for the benefit of the excluded or unserved.

Dr. Hannig also pledged to support CBN in the development of its National FinTech Strategy,

noting that a collective and collaborative approach with all stakeholders in the design, development and implementation of the National FinTech Strategy would deliver the best results.

Earlier, in her welcome address, Head, Financial Inclusion Delivery Unit CBN, Mrs. Amina Umar noted that the National Target set out in the National Financial Inclusion Strategy document two, recognised the financial technology as a vital catalyst to accelerate financial inclusion as captured in Sochi accord.

Mrs. Umar said that the Bank, with support from Alliance for Financial Inclusion and in collaboration with key stakeholders, was taking forward its commitment to build an inclusive digital financial sector that ensured the expansion of meaningful access, facilitate responsible usage and guaranteed the quality of digital services to the underserved and unserved market segments.

Participants in attendance in the virtual meeting were Departmental Directors including Mr. Musa Jimoh (Director, Payments System Management Department), Mr. Philip Yusuf (Director, Development Finance Department) and other stakeholders from finance and telecommunication sectors.

Other speakers who made presentations on the National FinTech Strategy focal points included Mr. Stephen Ambore, (Assistant Director, Development Finance Department), Mr. Adeyemi Omotoso (Policy Specialist, Alliance for Financial Inclusion) and Prof. Olayinka David-West (Principal, Olayinka David-West Consulting) ■

Emefiele Urges Stakeholders to Protect Environment

By: **Adaeze Alaribe**



CBN Governor, Mr. Godwin Emefiele delivering an address during the Tree Planting Ceremony on the World Environmental Day

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has charged all stakeholders in the country's financial sector to ensure the protection of the environment, by joining the global movement to prevent, halt and reverse ecosystem degradation.

Mr. Emefiele gave the charge in his keynote address at the Bank's 2021 World Environment Day Celebration, held virtually on Tuesday, June 8, 2021, just as he assured of the Bank's continued support in protecting the environment and restoring the country's degraded ecosystem. Speaking on the theme for the celebration: "Ecosystem Restoration," he said the occasion provided stakeholders "an opportunity to rethink, recreate and reimagine our relationship with

animals, plants and the environment."

He noted that players in Nigeria's financial sector, like their counterparts in other climes, were taking positive measures to respond to nature and climate-related financial risks because they acknowledge finance as a powerful tool for change in addition to recognising the need to extend their focus to the challenges of climate change, nature-related risks and biodiversity loss.

According to him, the CBN remained committed to providing strategic direction for the entire financial ecosystem to take positive actions that will protect the environment. Specifically, he said the CBN was taking regulatory steps to enhance the role of the financial system in low carbon transition through



CBN Governor, Mr. Godwin Emefiele planting a tree at the Head Office during the World Environmental Day

the review of the Nigeria Sustainable Banking Principles to incorporate climate risks and ensure strategic alignment with other global initiatives on climate.

Citing the adoption and implementation of the Nigeria Sustainable Banking Principles (NSBP) and the Nigerian Sustainable Finance Principles (NSFPs) as commitment by the country's financial sector, Emefiele also highlighted efforts made by the CBN to ensure sustainable environmental practices in agriculture, energy use and gender equality.

On clean energy initiatives, he said the CBN had developed the Intervention Facility for the National Gas Expansion Plan (IFNGEP) to support the National Economic Sustainability Plan, adding that it had equally developed the Solar Energy Adoption Financing Facility (SEAFF) to boost clean energy use and reduce Greenhouse Gas Emissions.

Besides financing anchors under the Anchor Borrowers' Programme and other agricultural schemes to repair irrigational facilities, he said the bank was also collaborating with the Nigerian Meteorological Agency (NiMet) in the area of flood prevention.

He therefore tasked all stakeholders to contribute to preventing, halting and reversing ecosystem degradation for the benefit of all. Earlier in his opening remarks, the Deputy Governor, Corporate Services, Mr. Edward Adamu urged stakeholders to imbibe sustainable practices that will ensure the restoration of the degraded ecosystem.

Also speaking, the Guest Speaker, Mr. Thomas Vellacott, who is the Chief Executive Officer (CEO) of the Worldwide Fund for Nature, Switzerland, shared insights on how to prevent, halt and reverse the degradation of the ecosystem, which is threatening almost 40% of the global population. In their respective goodwill messages at the event anchored by Dr. Andrew Nevin, Partner, West Africa Financial Services Leader and Chief Economist of PwC, the Nigerian Minister of Environment, Dr. Mahmood Abubakar and other speakers lauded Nigeria's leadership role in sustainable banking as well as managing social risks.

Other dignitaries who attended the virtual World Environment Day celebration included the Deputy Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad; the Deputy Governor, Economic Policy, Dr. Kingsley Obiora; Board members; Chief Executives of Deposit Money Banks; the Resident Representative of the International Monetary Fund (IMF), Mr. Ari Aisen; the Africa Coordinator, IFC/Sustainable Banking Network, Louise Gardiner; and the Director-General/CEO, Nigerian Conservative Fund, Dr. Muhtari Aminu-Kano.

Also, in attendance were Special Advisers to the CBN Governor; Departmental Directors; Executives and staff of the CBN. It will be recalled that the CBN had kicked-off the celebration of the 2021 World Environment Day with the planting of trees by the Governor, Mr. Godwin Emefiele and his Deputies on Thursday, June 3, 2021. ■

CBN Governor Hails Revival of CTGs

By: **Ruqayyah Mohammed**

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has said that the Bank's 2019 intervention effort to revive the Cotton, Textile and Garments (CTG) industry has led to the creation of 620,000 direct and indirect jobs in the last two years.

Mr. Emefiele, who made the disclosure on Tuesday, June 1, 2021 at a CTG engagement at the Ladi Kwali Hall, Sheraton Hotels, Abuja, described the revival of the Cotton, Textile and Garment (CTG) sector as crucial for strengthening economic recovery, boosting employment and creating wealth for Nigerians.

The Governor stated that over 278,500 hectares of cotton farm were financed by the Bank in 2019 and 2020, with over 90,000 metric tonnes of cotton seed harvested.

Mr. Emefiele, who was represented by the Deputy Governor, Corporate Services, Mr. Edward Lametek Adamu, revealed that over N44 billion was disbursed between 2019 and 2020 across the CTG value chain to raise the ante in the sector as nine ginneries had been resuscitated and ginned cotton all year round for the first time in 10 years. He added that textile companies had been supported in the past two to three years, leading to the revival of some previously moribund ones.

The Governor, while listing the gains of the CBN intervention in the CTG sector, said that the industry capacity of the ginneries increased from an average of 19% to 51%. He added that the textile sector got 100% of their major raw material (cotton lint) at a CBN-subsidised rate of N440,000 as against the market price of N593,000 which signaled an increase in production of over 10 million meters of yarn materials in the period under review.

Mr. Emefiele also disclosed that for the 2021 wet season, plans were underway with the involvement of ginneries to integrate backwards by cultivating an average of 53,100 hectares with an estimated output of 106,200 metric tonnes at two metric tonnes per hectare.

According to him, the CBN was also working with prime anchors for 10,000 hectares of land with estimated output of 20,000 metric tonnes. He stated that the Bank would be working with associations to cultivate about 80,000 hectares with an average output of 120,000 metric tonnes at 15 metric tonnes per hectare.

While noting that some progress had been recorded, the Governor said more work needed to be done as opportunities for higher capacity utilisation in textile and garment companies as well as ginneries abound.

Mr. Emefiele also reiterated the Bank's commitment to ensuring the successful implementation of the CTG policy, adding that it will dedicate appropriate resources to drive its implementation.

The Governor told stakeholders that the uniformed services had started to patronise locally made textiles for their uniforms as the garment industry had received orders for production of uniforms and cotton hand bags. He added that this had led to at

least five agencies partnering with local textile manufacturers.

Mr. Emefiele also disclosed that the Bank was collaborating with some private stakeholders towards improving the quality of seeds to guarantee high yields.

Speaking earlier at the event, the Director, Development Finance Department (DFD) of the Bank, Mr. Philip Yila Yusuf, noted that the CBN sought to close the seed cotton gap of 450,000 Metric Tonnes in Nigeria by 2022 as well as increase the capacity utilisation of ginneries from less than 30 per cent to 80 per cent within same timeline.

Mr. Yusuf said that the Bank also sought to reduce smuggling and dumping of textile by at least 40 per cent by the end of 2022. The DFD Director, who was represented by Head, Retail Contact Division, Mr. Chika Nwanja, said the CBN had also financed over 200,000 cotton farmers, cultivating 291,761 hectares of land with an output of 94,787 metric tonnes of cotton seed.

He added that this had led to improvement in the household income of each farmer by an average of N240,000. He said that the Bank had also financed 19 ginneries, four textile companies and three garment manufacturers under the textile intervention facility, resulting in an increase in the number of active ginneries from 13 in 2019 to 21 as at June 2021.

Also speaking at the event, President, National Cotton Association of Nigeria (NACOTAN), Mr. Anibe Achimugu, said that the progress so far achieved would have been impossible without the drive of the Central Bank of Nigeria.

According to him, the Anchor Borrower's Programme (ABP) remains one of the best agricultural interventions programmes of the CBN. On his part, the President, Manufacturers Association of Nigeria (MAN), Mansur Ahmed, said that the CTG industry could resolve the country's unemployment challenges, adding that the Federal Government and the CBN had done a great deal to revive the industry.

The stakeholders had unanimously lauded the CBN's intervention programme in the sector, describing it as unprecedented.

The stakeholder meeting was convened to, among other things, deliberate on the current state of the industry as well as chart the way forward ■

The Gambia's Central Bank Gets Technical Support from CBN

By: **Auwalu Alhaji**



Central Bank of The Gambia

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, says the Bank will provide technical assistance to the Central Bank of The Gambia in the areas of monetary policy, banking supervision and currency management.

He made the commitment on Tuesday, June 15, 2021, when he played host to the Governor, Central Bank of the Gambia, Hon Buah Saidy, who was on a two-day official visit to the CBN Head Office in Abuja,

Pledging the willingness of the CBN to assist The Gambian Central Bank in enhancing its operations, Mr. Emefiele noted that the CBN had built enormous capacity in the areas of monetary policy and research. He assured the Gambian delegation of the inclination of the CBN to support them in aspects of monetary policy, banking supervision and currency management, adding that there was much the Central Bank of The Gambia could gain from Nigeria, being the largest economy in Nigeria.

While congratulating Hon. Saidy on his recent appointment as the Governor of the Central Bank

of The Gambia, Mr. Emefiele said that the CBN remained open to other areas of cooperation, particularly as the two banks belonged to the West Africa Monetary Zone (WAMZ).

Earlier in his address, The Gambian Central Bank Governor, Hon Buah Saidy said the purpose for the visit was to gain insights, learn key aspects of central banking from the experience of Nigerian central bank.

Saidy urged the CBN to assist The Gambia in currency management, adding that the bank also required assistance in the areas of IT modernization, cyber security and how to investigate cybercrimes, among others.

Other dignitaries who attended the meeting were the Deputy Governor, Corporate Services, Mr. Edward Adamu; Deputy Governor, Economic Policy, Dr. Kingsley Obiora; Departmental Directors, Executives, and staff of the Bank.

On the delegation of the Governor, Central Bank of The Gambia were the First Deputy Governor, Shehi Tijjani and other senior officials of the bank ■

FREQUENTLY ASKED QUESTIONS (FAQs)

1. Why is the CBN the only bank that can issue 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?

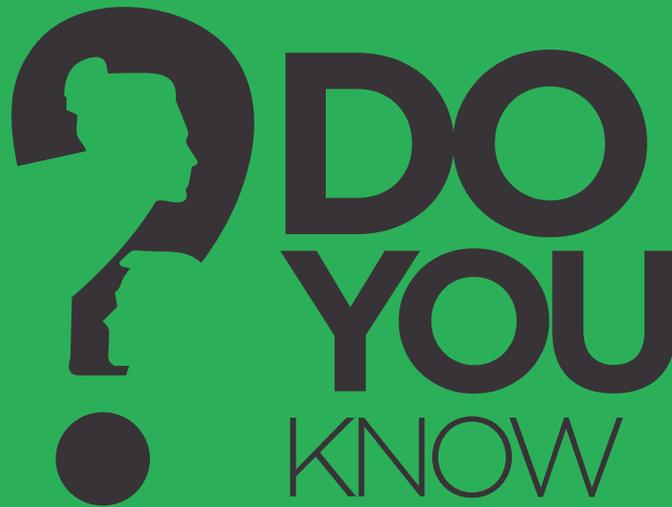
The scarcity of lower denomination could be linked to the fact that these notes are held by the public. Absence of Automated Teller Machines (ATM) dedicated to dispense lower denominations has also contributed to the dearth of lower denomination in circulation.

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.



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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Central Bank of Nigeria