



Central Bank of Nigeria

# CBNUPDATE

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## Buhari Unveils eNaira, Says Digital Currency To Grow GDP By \$29bn

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## Editor's Note

The Central Bank of Nigeria (CBN) launch of its Central Bank Digital Currency (CBDC) known as eNaira, placed Nigeria on global focus and confirmed the country's position as a leader in payment system innovation. With the launch of eNaira, Nigeria became the first country in Africa and one of the seven countries in the world to have a digital currency. The eNaira project is envisaged to improve financial inclusion, increase remittance and ensure a more effective monetary policy. The eNaira also has the potential to grow the country's Gross Domestic Product (GDP) by \$29 billion over the next 10 years. You will read more about this epoch making journey of eNaira digitization inside this edition.

In this edition, we present a news story on Mr. Godwin Emefiele's conferment with a Juris Law award in recognition of his support towards the development of law for economic growth and the numerous interventions as well as innovations towards strengthening the Nigerian economy and ensuring stability in the financial sector.

Similarly, we bring to you a news story on the Deputy Governor, Economic Policy, Dr. Kingsley Obiora's conferment of an honorary fellowship of the Chartered Institute of Bankers of Nigeria (CIBN).

Still on eNaira, the Director, Corporate Communications Department, Mr. Osita Nwanisobi has urged the public to get onboard on the eNaira in order to enjoy the benefits of the digital currency. Mr. Nwanisobi made the appeal at a two-day CBN sensitization fair held in simultaneously in Abia and Ebonyi States.

The CBN in its bid to shore up the country's foreign reserves and ensure food security has reiterated the determination to address the existing challenges in the country's wheat value chain. The Director, Development Finance Department, Mr. Yila Yusuf disclosed this at a Wheat Conference and Stakeholder Engagement with the theme "improving the Wheat Value Chain Development in Nigeria".

This edition equally contains news stories of the CBN emphasizing the need for increased monitoring of Fintech companies to ensure the safety of payments system operations in the country and reinstatement of its commitment to economic growth and sustainable development

These and other stories have been put together for your reading pleasure. Welcome.

A handwritten signature in black ink, appearing to read 'Osita Nwanisobi'.

**Osita Nwanisobi**  
Editor -in- Chief

# Buhari Unveils eNaira, Says Digital Currency To Grow GDP By \$29bn

...Emefiele extols staff

By: **Auwalu Alhaji & Adaeze Alaribe**



President Muhammadu Buhari (left) and the Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele at the formal launch of the Central Bank Digital Currency, eNaira, at the Presidential Villa, Abuja on Monday, October 25, 2021.

A major milestone was recorded in Nigeria on Monday, October 25, 2021, as President Muhammadu Buhari formally launched the Central Bank Digital Currency (CBDC), the eNaira, at the Presidential Villa, Abuja. Speaking at the event, the President noted that the embrace of the CBDC and its underlying technology, called block chain, had the potential of swelling Nigeria's Gross Domestic Product (GDP) by \$29 billion over the next 10 years.

The President also declared that the introduction of the eNaira would enable the government to send direct payments to citizens eligible for specific welfare programmes as well as foster cross border remittances. According to him, the CBDCs can foster economic growth through better economic activities, increase remittances, improve financial inclusion and make monetary policy more effective by leveraging digital innovations.

Speaking further, the President said that the use of CBDCs can help move many more people and

businesses from the informal into the formal sector, thereby increasing the tax base of the country. With the launch of the eNaira, he said Nigeria had become the first country in Africa, and one of the first in the world, to introduce a digital currency to her citizens.

He commended the Governor of the Central Bank of Nigeria, Emefiele, his deputies, and the entire members of staff who worked tirelessly to make the launch of Africa's first digital currency a reality. In his speech at the event, the Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, revealed that since the eNaira portal went live, over 33 banks had been fully integrated on the platform, just as 2,000 customers have been onboarded and 120 merchants registered on the portal.

In addition, he announced a new financial instrument titled, "The 100 for 100 PPP - Policy on Production and Productivity", which will be anchored in Development Finance Department under his direct supervision.

Continuing, he explained that under this policy, the CBN would advertise, screen, scrutinize and financially support 100 targeted private sector companies in 100 days, beginning from November 2021, and rolled over every 100 days with a new set of 100 companies, whose names will be published in national dailies for Nigerians to verify and confirm.

Emefiele revealed further, that if the right companies and projects are supported, there will be significant, measurable and verifiable increase in local production and productivity, reduction in imports, increase in non-oil exports, and improvements in the FX-generating capacity of the economy. He expressed delight that Nigeria was the first country in Africa and one of the few in the world to unveil a digital currency.

According to him, since the eNaira platform went live, there has been overwhelming interest and encouraging response from Nigerians and other parties across the world with over 2.5 million daily visits to the website. On the states of the country's foreign exchange levels, he assured that there was no cause for alarm, stressing that "Our FX reserves are strong and indeed getting stronger by the day, crossing the 40 billion USD mark, and one of the highest in Africa".

Emefiele explained further, that if the right companies and projects were supported, there will be significant, measurable and verifiable increase in local production and productivity, reduction in certain imports, increase in non-oil exports, and improvements in the FX-generating capacity of the economy. This, he said, is the best and most sustainable way to address the Naira's value – whether in hard currency or digital eNaira –

through production, production and more production.

At a post-launch session with staff of the CBN as well as actors in Nigeria's financial sector, Mr. Emefiele expressed appreciation to staff of the Bank, who he saluted for their professionalism, brilliance, energy, and hard work. According to him, "the Central Bank of Nigeria is an embodiment of talents, and central bankers that can withstand any competition from any part of the world in core areas of central banking.

A visibly elated Emefiele expressed gratitude to the Deputy Governor, Economic Policy, Dr. Kingsley Obiora and the eight Departmental Directors as well as team members of the project that delivered on the eNaira project.

Reiterating the robustness of the Nigerian payments system, he said the Bank was also committed to completing other key projects such as the Infrastructure project, the National Arts Theatre renovation project as well as others that have direct impact on the lives of Nigerians by providing employment and growing the economy, for the overall benefit of the country.

Also speaking, the Deputy Governor, Economic Policy, Dr. Obiora, thanked the project team for their support in delivering on the project. Present at the post-eNaira launch were Mr. Edward Lametek Adamu, Deputy Governor, Corporate Services; Mr. Folashodun Shonubi, Deputy Governor, Operations; the International Monetary Fund (IMF) Resident Representative for Nigeria, Mr. Ari Aisen; Departmental Directors, representatives of Chief Executives of Deposit Money Banks; Executives and staff of the CBN ■



# Obiora Bags CIBN Fellowship

By: Zichat Abuja-Kato



A group photograph of the President / Chairman of Council, Chartered Institute of Bankers of Nigeria, Dr. Bayo Olugbemi (3<sup>rd</sup> from left), the Deputy Governor (Economic Policy), Dr. Kingsley Obiora (3<sup>th</sup> from right) with some of the awardees at the investiture ceremony

The Central Bank of Nigeria (CBN) Deputy Governor (Economic Policy), Dr. Kingsley Obiora has said President Muhammadu Buhari's launch of the Central Bank Digital Currency (CBDC) known as the eNaira, has confirmed the country's position as a global leader in payment system innovation.

Dr. Obiora said this on Saturday, October 30, 2021 during the 2021 Chartered Institute of Bankers of Nigeria (CIBN) Fellowship Investiture held in Lagos. The CBN Deputy Governor, the Director-General of the World Trade Organisation (WTO), Dr. Ngozi Okonjo-Iweala and 12 other eminent individuals were conferred with the honorary fellowship of the Chartered Institute of Bankers of Nigeria (CIBN).

Dr. Obiora said the launch of the eNaira was a "historic first" on Nigeria's part as it made it the first country on the continent of Africa to introduce a Central Bank Digital Currency (CBDC). The Deputy Governor who spoke on behalf of other honourees, expressed appreciation to the CIBN for considering him worthy of the prestigious

fellowship of the Institute. He said that the investiture came at a timely moment for all to reflect on the CIBN core values of integrity, professionalism, innovation and ethics to foster development and growth of the country. He also thanked the CBN Governor for giving him the platform to perform and elicit the honour.

He charged the honourees to continue to support the CIBN, which according to him, has contributed immensely to the banking profession in Nigeria and beyond. In his speech, the President/Chairman of Council, CIBN, Dr. Bayo Olugbemi, stated that the investiture was held to Honour eminent individuals who have distinguished themselves in their chosen profession and have contributed significantly to the growth and development of the Institute, the banking industry and the nation at large.

Congratulating the total of 237 individuals, comprising the 14 Honorary Fellows, 77 Elected Fellows and 146 Honorary Senior Members, who were honoured by the institute, Dr. Olugbemi urged them to remain steadfast and committed to



President/Chairman of Council, Chartered Institute of Bankers of Nigeria, Dr. Bayo Olugbemi presenting the award certificate and plaque to Dr. Kingsley Obiora

the tenets of honesty, trust and integrity which are the hallmark of the banking profession. He said that the choice of the theme of this year's Fellowship Investiture- "Nigeria's Rising Debt Profile: Issues and Implications for Sustainable Economic Development," stemmed from the growing concerns of Nigerians about the rising debt profile of the country and the need to educate the public on this issue as well as proffer sustainable management strategies.

The CIBN President Stressed that high debt levels cannot be overlooked and said that while there is nothing wrong with borrowing, the major concern with borrowing be it, as an individual, organisation or a nation, is simply the purpose of the borrowing and the capacity to repay ■

## 97.6% Bank Depositors Fully Covered - NDIC

By: Ademola Bakare

The Managing Director/ Chief Executive Officer of the Nigeria Deposit Insurance Corporation, NDIC, Mr. Bello Hassan has said that over 97 per cent of depositors of deposit money banks (DMBs) in the country would be fully covered by the Corporation in the event of bank failure.

Bello stated this on Tuesday, October 26, 2021 while declaring open the 2021 Finance Correspondents and Business Editors (FICAN) workshop in Gombe State organised by the commission.

He said that in 2016, 2017, 2018 and 2019, the total number of accounts in the deposit money banks

stood at 83.0 million; 99.1 million; 112.0 million and 128.4 million respectively, adding that out of these numbers, the NDIC's N500,000 Maximum Insured Limit (MIL) fully covered 99.4 per cent; 97.6 per cent; 97.5 per cent and 97.6 per cent of accounts, respectively.

Hassan said what these figures entail is that only less than three per cent of accounts/depositors are not yet fully covered by the prevailing coverage limits, adding that the implication of this is that in the event of failure of a bank, above 97 per cent of depositors would be fully covered by the Corporation.

From the foregoing statistics he stressed, "it could be observed that the Corporation's deposit insurance coverage limits are not only adequate, but also robust enough to engender confidence in our banking system".

The NDIC boss told the participants that the Corporation's maximum coverage limits of N500,000 per depositor in commercial, merchant and noninterest banks, primary mortgage banks and mobile money operators, as well as N200,000.00 per depositor in microfinance banks remained the most adequate and robust in the world ■



# Dangote Refinery: Nigeria To Save 40% FX Earnings By 2022 - Emefiele

By: **Olusola Amadi**



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**N**igeria will save 40 percent of its foreign exchange (FX) earnings when the Dangote Refinery and Petrochemical Plant commence full operations in 2022. This was disclosed by the Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele while speaking at an Investment meeting on the sidelines of the International Monetary Fund (IMF) and World Bank Annual Meetings in Washington DC, USA.

The Governor was speaking to questions raised by international investors regarding foreign exchange reserves, foreign exchange rates, balance of payments and the country's increasing foreign debt. The Governor stated that the country ensures that every debt is given utmost priority particularly foreign debt. He added that as a rule, all debts would be paid before any obligations are serviced so long it is Nigeria's authentic, sovereign debt.

The Governor noted that by the time the refinery commences production in 2022, it would be a major FX savings source for Nigeria. Explaining further, he noted that all of Nigeria's imports, importation of petroleum products such as diesel,

petrol, aviation fuel takes about 10 percent of the country's import costs.

He added that considering Nigeria's domestic demand for refined crude oil at an estimated 450,000bpd that will be sold by Dangote in Naira would be a major FX savings for the country, noting that the rest of the products will be used for export purposes and FX accretion.

Adding that the production of the refinery would save the country heavy freight and stocking costs on the high seas before the products are offloaded, adding the refinery will help to save these costs.

Speaking on the Petrochemical Plant, Mr. Emefiele revealed that the petrochemical plant would be producing 900,000 tonnes of polyethylene and polypropylene granules, adding that Nigeria's consumption is less than the import of the products, which contributes to 5 percent of the country's imports.

Given the capacity of the refinery to meet local demands in addition to exports, the economic potentials that the refinery holds for the country is enormous, Emefiele concluded ■

# CBN Restates Commitment to Economic Growth

By: **Aisha Sadiq and Dominic Yammah**

The Central Bank of Nigeria (CBN) has restated its commitment towards ensuring that Nigeria achieves inclusive economic growth and sustainable development. The CBN Governor, Mr. Godwin Emefiele, gave the assurance on Thursday, October 7, 2021, at the "CBN Special Day" during the 16th Abuja International Trade Fair with the theme: Exploring the opportunities of Africa Continental Free Trade Area (AfCFTA).

Mr. Emefiele, who spoke through the Director, Corporate Communications Department, Mr. Osita Nwanisobi, said the Bank would continue to take active steps and make policies to encourage growth and sound financial system. He therefore called on Nigerians to focus on the production of items for which the country has comparative advantage, even as he encouraged them to buy made-in-Nigeria products in order to grow Nigeria as a nation that is totally self-sufficient.

With the coming into effect of the Africa Continental Free Trade Area (AfCFTA) on January 1, 2021, he opined that the development would increase inflow of foreign investment which would strengthen the country's Foreign Exchange market.

Speaking on the benefits of the soon-to-be

launched Central Bank Digital Currency (CBDC), Mr. Nwanisobi urged Nigerians to embrace the eNaira, noting that it is safe, easily accessible and would facilitate cross-border remittances. In his remarks at the event, the President of the Abuja Chamber of Commerce and Industry (ACCI), Dr. Al-Mujtaba Abubakar, commended the CBN for its initiatives and applauded it on the revolution of the CBN Digital Currency.

Dr. Abubakar, who was represented by the Second Deputy President of the chamber, Prof. Adesoji Adesugba, noted that the CBN deserved commendation for initiating policies that have helped to sustain the Nigerian economy, in spite of challenges. According to him, despite the threat of the corona virus (COVID-19) to the economy and the health sector, the leadership of the CBN had succeeded in transforming threats to opportunities. While also urging Nigerians to embrace the eNaira, he assured that the doors of the ACCI would always remain open for partnership with the Bank.

Highpoints of the CBN Special Day were the testimonials from beneficiaries of the CBN intervention schemes and the tour of the CBN pavilion, during which the Director, Corporate Communications fielded questions from members of the public. ■

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# Stakeholders Commend CBN Field Day

By: Mohammed Haruna



CBN hold field day to train farmers on best practices to increase productivity

Policy makers and agricultural practitioners have commended the Central Bank of Nigeria (CBN), for its various interventions aimed at transforming the nation's agricultural sector into an avenue for wealth creation.

The stakeholders spoke at the end of a field visit to the AFEX demonstration maize farm in Richifa, Kaduna State, organised by the CBN's Development Finance Department (DFD), as part of the policy makers result demonstration field day. The programme, which was organised to demonstrate the effectiveness of adopting modern agronomic practice, especially within the first 40 days of planting, was attended by government officials, community leaders, University researchers, members of the Maize Association of Nigeria (MAAN) and soybeans farmers from all over the country.

In his presentation before a guided tour of the demonstration farms, the Senior Adviser to the CBN Governor, Dr. Marco Antonio Quinones stressed the need for Nigeria to attain food self-sufficiency in view of its growing population, devastating effects of climate change, which has affected global food supply chains, and the decreasing income available to fund the country's huge food import bills.

He argued that, with its human resources, vast

arable land and favourable climatic conditions, Nigeria possessed all that was required to make it a food secure society if everyone involved in the agricultural value chain embraced the right measures.

Dr. Quinones further revealed that Nigeria had the lowest yield per hectare on every crop due to the prevalence of incorrect practices by a wide majority of farmers, adding that this problem needed to be addressed in order to attain the desired level of agricultural production. According to him, "if the right policies are implemented, improved seedlings made available and the farmers are exposed to modern farming techniques, the country has the potential of increasing its total harvest output by over 300% within a very short period".

In his contribution, the Senior Technical Expert attached to the Development Finance Department, Dr. Gorfe Habtemariam Abate informed the gathering that the policy makers field day was a communication channel designed to expand the reach of agricultural transformation techniques to a larger audience of policy makers and other critical stakeholders. He further explained that the large-scale demos approach was focused on practical skills transfer and a demonstration of results to help the farmers make better choices.

Continued on page 10

# eNaira: CBN Woos Stakeholders

By: **Emike Ikhumhi**



The Central Bank of Nigeria (CBN), has urged members of the public to get onboarded on the recently launched Central Bank Digital Currency (CBDC), known as the eNaira, in order to enjoy the benefits of the first digitized currency in Africa.

The Bank's Director, Corporate Communications Department, Mr. Osita Nwanisobi gave the charge on Thursday, October 28, 2021 during the two-day sensitization, tagged: CBN Fair held simultaneously in Abia and Ebonyi States. Speaking on the recently launched eNaira by President Muhammadu Buhari, the spokesman described digital currency as the next step in the evolution of payment system, adding that the eNaira was introduced not only to preserve the nation's currency but also to make business transactions less cumbersome.

"The eNaira is not crypto currency. All the CBN is trying to do is cross Nigeria from local to the digital economy" he explained even as he urged the people to be wary of patronizing unlicensed institutions as any institution not licensed by the CBN operated illegally and was prone to defrauding members of the public. He noted that the sensitization programme was an avenue for the Bank to interact with the people at the grassroots on the various interventions, initiatives, policies and programmes of the Bank as well as to get feedback from them.

In their respective welcome remarks, Messrs. Christopher Adayi (the Branch Controller Ebonyi) and Onyeka Ogbu (Branch Controller, Umuahia), urged the people to take advantage of the initiatives of the Bank which they said were aimed at meeting the needs of the people.



leadership.ng

The duo pledged the Bank's commitment to the promotion of sound economic policies that will continue to promote financial system stability and economic development of the nation.

Also speaking, Abdul-Jelil Yusuf, a representative from the Project Giant Secretariat, which oversees the eNaira project, disclosed that the CBDC will improve financial inclusion, increase remittance and ensure a more effective monetary policy. He noted that with the launch of eNaira, Nigeria became the first country in Africa and one of the seven countries in the world to have a digital currency.

Yusuf also noted that "the eNaira will eliminate third parties, thereby contributing to efficient, low cost transactions and being a legal tender, is a liability of the CBN, unlike cryptocurrency, which is privately owned and as such, a huge risk". A representative from the Development Finance Department, Celsus Agla, who gave an overview of

the initiatives of the Bank since 1977, disclosed that the Bank introduced the Tertiary Institutions Entrepreneurship Scheme (TIES), a programme for unemployed university graduates who possess entrepreneurial skills. The loan, according to him, ranges from N5million for single applicants and N25million for partnerships.

Presentations were also made by staff of the Payments System Management, Consumer Protection and Currency Operations Departments to acquaint participants on the benefits of the eNaira and Nigeria's payment systems, among other benefits.

In his brief remarks, head, Internal Communications Division of the Corporate Communication Department, Mr. Sam Okogbue, commended the people of Ebonyi and Abia States who attended the fair and urged them to get onboarded by downloading the eNaira speed wallet. ■

Continued from page 8  
**Stakeholders Commend CBN Field Day**

At the soybeans demonstration farm located in Shika, outskirts of Zaria, participants were exposed to a comparative review of two soybeans fields ready for harvest. They discovered that the one which was cultivated in line with the existing planting methods of farmers had fewer crops per hectare and yielded less than the Marco project demonstration field which was prepared in line with protocols of modern farming procedures.

In their various comments, the stakeholders commended the CBN for the opportunity of the capacity building and expressed optimism that adopting the agronomic practices witnessed on the demonstration farms will go a long way in improving the yield output of small stakeholder

farmers. Also speaking, the representative of the Kaduna State Government and General Manager, Kaduna Agricultural Development Agency, Dr. Abubakar Bayero, expressed appreciation to the CBN for situating the pilot scheme in the state. He therefore urged farmers to seize the opportunity of new developments in agronomic practices to boost national food sufficiency.

Earlier, the Branch controller of Kaduna Branch, Mr. Ahmed Wali, and the Development Finance Officer had reassured the stakeholders of the Bank's willingness to sustain its development finance activities in areas that would create wealth, reduce unemployment and support the quest for national food security. ■



# CBN To Bar BVN Violators From Banking Services

By: Ademola Bakare



**T**he Central Bank of Nigeria (CBN) has issued a Revised Regulatory Framework for Bank Verification Number (BVN) operations and Watch-List for the Nigerian Banking Industry. The revised framework was issued on Tuesday, October 12, 2021.

The CBN said the framework is to enhance the effectiveness of customer due diligence and Know Your Customer (KYC) processes as part of its overall strategy for promoting a safe and efficient banking and payments system. In the circular Mr. Musa Jimoh, Director, Payments System Management Department, said the Watch-list is a database of customers identified by their BVNs, who have been involved in confirmed cases of breaches.

Under the new framework, breaches on the part of customer could see the individual getting barred from entering a new relationship with any participant (banks), adding that where a financial institution chooses to continue an existing business relationship with holders of an account/wallets on the watch-list, the account holder shall be prohibited from all electronic channels such as but not limited to ATM, POS, Internet Banking, Mobile Banking, USSD including the issuance of third-party cheques.

The new framework further stipulates that a customer with watch-listed BVN shall not reference accounts, access or guarantee credit facilities, thus, breaches it continued on the customer's part

include - use of forged documents, forgery, compromise, complicity and connivance. Also listed as punishable breaches were: duplicate enrolment, use of fictitious information, receipts of proceeds of deception, deception, receipts of fraudulent proceeds and any infractions on AML/CFT laws, and dishonest acts.

Others were non-cooperation with efforts (as stipulated in the Regulation on Instant Interbank Electronic Funds Transfer) to reverse wrong credit, erroneous, multiple or duplicated payments or credits; and any infringement of the Cybercrimes (Prohibition, Prevention, etc.) Act. 2015.

The Director in the Circular also said those who misuse identity and financial information, indulge in identity theft and breach of confidentiality will be punished in line with the new regulations. Banks and Other Financial Institutions involved in BVN operations were instructed by the CBN to ensure all operating accounts/wallets are linked with the signatories' BVNs within 24 hours of availability.

The Bank also instructed that operators must enroll all mobile money wallets (except Tier 1) subscribers on the BVN database and link their wallets (except Tier 1) with their BVNs within 180 days of the issuance of this framework. The CBN however said it would continue to monitor industry developments and issue further guidance as might be appropriate in the nearest future ■

# CBN To Boost Wheat Production

By: **Auwalu Alhaji**

The Central Bank of Nigeria (CBN) has reiterated its determination to address the existing challenges in the country's wheat value chain as part of efforts to shore up the country's foreign reserves. The Director, Development Finance Department at the CBN, Mr. Philip Yila Yusuf, disclosed this in Abuja on Thursday, September 30, 2021, at the Wheat Conference and stakeholder Engagement, the theme "Improving and Sustaining the Wheat Value Chain Development in Nigeria."

He highlighted the enormous potential of the wheat value chain for ground-breaking impact in the agricultural sector, noting that the Bank sought to focus attention on the wheat value chain for 2021/2022 dry season planting, after sustainable progress has been made across the rice and maize value chain. According to him, "the CBN plans to address key problems in the value chain through financing massive production of wheat in Nigeria and seeks to facilitate sustained availability of high yield seed variety in country and improve general productivity." He disclosed that wheat was the second highest contributor to the country's food import bill putting pressure on the country's foreign reserve as over \$2billion was spent annually on the importation of over 5million Metric Tons (MT) of wheat.

Furthermore, he estimated that only 1% or



nairametrics.com

63,000MT of wheat, out of the 5-6 million metric tons (MT) of wheat consumed annually, was produced locally, noting that the CBN intervention had become critical due to the high demand for wheat in Nigeria and the inability to meet that demand. While admitting that the enormous challenge before the Bank, would require concerted efforts to address, he assured stakeholders of the Bank's readiness to change the narrative in the sector.

In his remarks, the Minister of Agriculture and Rural Development, Mohammed Abubakar, who was represented by Abdullahi Garba, expressed dismay that the country's wheat importation and wheat import bills had continued to increase in recent years. He therefore urged all stakeholders to collaborate to reverse the trend by investing more in the value chain.

The Kano State Governor, Dr. Abdullahi Umar Ganduje, in his goodwill message delivered by his Deputy, Dr. Nasiru Yusuf Gawuna, charged all stakeholders to be transparent in their dealings and to commence preparation for both farming and production of wheat.

While commending the CBN for its efforts in boosting the wheat value chain, the Governor encouraged the Bank to expedite action in releasing funds, stressing that partnership among stakeholders in wheat production value chains remained critical in boosting Nigeria's quest to be self-sufficient in the production of wheat.

Presentations at the event were: "Overview of the Bank's Interventions in Retail Agriculture Spotlight on the Wheat Value Chain," by Mr. Chika Nwanja, Head, Retail Agriculture Credit Division; and "The CBN's 2021 Wheat Value Chain (WVC) Resuscitation Plan and Opportunity for Stakeholder," by Mr. Stephen Ambore (Head, Wheat Value Chain Resuscitation Team, CBN).

Other presentations were: "The Millers Offtake and wheat Development Programme for 2021/2022," by Mrs. Sarah Huber FMN PLC; "Good Agronomic Practices (GAP) and the wheat Green Revolution," by Dr. Macro Quinones and "Strategies to improve the Wheat Value Chain in Nigeria," by Dr. O.O Olanjani.

# CBN To Monitor, Harness Opportunities in FinTechs

By: Ademola Bakare



The Central Bank of Nigeria, CBN, has said it will continue to monitor Fintech companies in Nigeria as an important sector in its payments system operations. The Director, Banking Supervision Department, Mustapha Haruna, stated this in Enugu, the Enugu State capital during the just concluded 31st Finance Correspondents and Business Editors Seminar which held between October 5-7, 2021 with the theme: Trends in Nigerian Payments System: Regulating the FINTECH Digital Playing Field.

Haruna who spoke on the topic - Fintech Phenomenon: Implications for Supervision and Regulation said as a regulator, the Bank would ensure that opportunities in Fintechs were properly harnessed. He said as "we onboard Fintechs into financial services, we need to have a proper understanding of the technology companies and what risks they bring; as well as the need to effectively manage these threats, particularly, threat to consumer data protection, among others.

Continuing he said, "While we may not exactly eliminate these threats, we must ensure that we are able to minimise those threats to consumers and to financial institutions, as well as the financial system and its stability" he stressed. He urged authorities

on the need to ensure that regulated government entities, and necessary government structures are equipped to identify and manage all these risks arising from the use of these payment platforms," he said.

Stressing on why the CBN needed to keep its eyes on the Fintechs, Haruna said it was because of the huge market value in Fintechs operations globally. He said, "The market value of Fintech companies globally is projected to hit about \$310 billion dollars by next year". He said in a census carried out by Ernst and Young, known as the Nigerian Fintech Census 2020, revealed that Fintechs in Nigeria raised more than \$439 million domestically to boost the sector as at the end of 2020. According to him, this is pointing to the significance of this sub-sector in the financial services space, and for financial inclusion.

He noted therefore that, it was extremely important that the CBN monitored this sector to continue to ensure a safe and sound financial system stability, adding that the report also showed that 57 per cent of all capital investment in Fintech space, were foreign direct investments with 43 per cent sourced from domestic investors. ■

# Support Farmers with Credit-ACGSF

By: **Zichat Abuja-Kato**

**T**he Chairman, Agricultural Credit Guarantee Scheme Fund (ACGSF) Board Mr. Stephen Okon has urged banks, State officials and other relevant agencies to assist farmers through credit delivery and advisory services in order to help them develop their agricultural potential to the fullest.

Mr. Okon, who is also the Director of Budget and National Planning, Federal Ministry of Finance, disclosed this at the 37th edition of the ACGSF stakeholder meeting at the Lagos Continental Hotel, Victoria Island, on September 23, 2021. He noted that the ACGSF had shown a positive growth in de-risking the agricultural sector in Nigeria as evidenced in the number of loans guaranteed from inception to date.

According to him, a total of 1,206,902 loans, valued at 125.91 billion, had been guaranteed from the inception of the Fund in 1977 to August 2021, adding that Lagos State had also guaranteed a total of 278 (1.7%) loan beneficiaries under the scheme valued at 102.4 million (3.1%). Speaking on loan recovery, he said 14,215 (1.4%) loans valued at 3.25 billion (3.3%) were repaid under the scheme in Lagos State from the inception of the Scheme.

On the ACGSF Act 2019 (as Amended), he said the Act now includes the financing of production of

farm machinery, implements and equipment for production, processing, storage and transportation as well as any purpose connected with activities within the agricultural value chain.

Furthermore, he disclosed that the maximum threshold for non-collateralized loan had increased from 20,000 to 100,000, just as the maximum for collateralized loan was increased from 10 million to 50 million. Okon said "the new strategies were introduced to repackage and reposition the Scheme for greater effectiveness and efficiency aimed at positioning Nigeria to become a self-sufficient food producer, creating millions of jobs, supplying key markets across the country and dampening the effects of exchange rate movements on local prices".

Also speaking during the meeting, the Secretary to the Board, Mr. Edwin Nzelu presented an overview of the ACGSF Amendment Act 2019 and highlighted the new features of the Act. Responding to queries from participants, Nzelu emphasized the benefits of the Act that farmers, financial institutions and officers of the state will be a part of. He added that records of the ACGSF underscored the level of commitment of the officers in the State as well as the determination of the farmers to utilize the opportunities offered by the scheme to empower themselves and improve their lot. ■



## Emefiele Bags Juris Law Award

By: **Chioma Udeogu**



CBN Deputy Governor (Economic Policy), Mrs. Aishah Ahmad flanked by the Chief Justice of Nigeria (CJN), Justice Tanko Muhammad (right) and the former CJN, Justice Mahmud Mohammed (left)

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has been conferred with the Juris Law Award in recognition of his support towards the development of Law for Economic Growth in Nigeria.

The Award was presented to Mr. Emefiele on Tuesday, October 12, 2021, by the Chief Justice of Nigeria (CJN) and Chairman, Board of Governors of the National Judicial Institute, Justice Tanko Muhammad, on the sidelines of the 2021 Workshop for Judicial Officers on Recent Reforms in the Banking and Financial Services Sectors in Nigeria: Banks and Other Financial Institutions Act (BOFIA) 2020 in Focus, with the theme: "The Role of the Judiciary in Financial System Stability in Nigeria".

In his remarks, the CJN lauded the Emefiele-led CBN for its numerous interventions and innovations towards strengthening the Nigerian economy and ensuring stability in the financial sector. Receiving the Award on behalf of the Governor, the Deputy Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad, restated the Bank's resolve to ensure that the Nigerian banking industry remains strong, stable and resilient and

continues to experience steady growth, with a promise to enable the sector to deliver on critical functions through reform initiatives.

Declaring the workshop open, earlier, the Chief Justice of Nigeria said timely disposition of justice was a critical requirement for financial sector stabilisation. He commended the CBN for organizing the 2021 edition of the workshop on recent reforms of the banking and financial services sector in Nigeria, in recognition of the critical role of the judiciary to achieve financial system stability in Nigeria, adding that an effective judicial system was a catalyst for financial system stability in Nigeria.

In his keynote address to the workshop, the CBN Governor said the passage into law of the BOFIA 2020 by the 9th National Assembly improved the legal framework in the Nigerian financial services sector, complementing other policy reforms aimed at fostering financial stability in Nigeria. The Governor, who was represented by Mrs. Ahmad said the support of the Judiciary was critical to the full operationalisation and implementation of the Banks and Other Financial Institutions Acts (BOFIA).

He reckoned that judicial officers, as custodians of the law, provide certainty of legal rights and the speed of fair and impartial resolution of commercial disputes, which is critical to building confidence in the banking and financial markets. According to him, the judiciary must also evolve by "adopting digital transformations and considering the broader objective of fostering growth and economic development in order to creditably adjudicate cases within the financial sector."

He noted that the BOFIA 2020 would reinvigorate the Nigerian banking sector and engender a sound and stable financial system that will support sustainable growth and development of the Nigerian economy. Emefiele said that BOFIA 2020 also contained elaborate provisions on the effective management of unclaimed funds or abandoned property in dormant accounts maintained with banks, specialized banks and other financial institutions, to ensure efficient administration of such accounts for the ultimate benefit of the owners of the funds and/or their beneficiaries.

He added that, despite occasional shocks

experienced over the past decade, the banking sectors remained a strong instrument for economic growth and development through granting of credit facilities to the real sector of the economy, critical pass through for monetary policy measures and maintenance of world class innovative payment and settlement services.

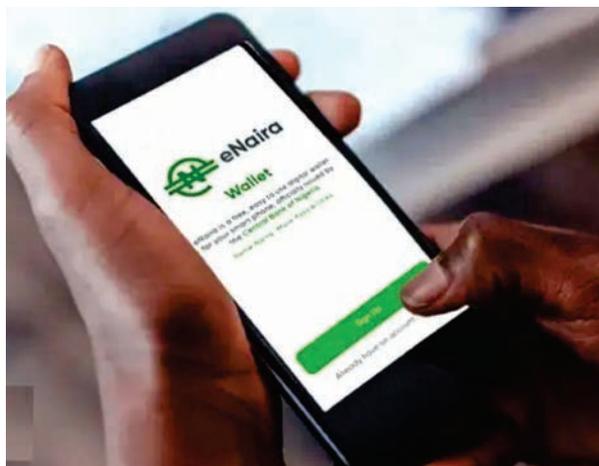
Speaking further, Mrs. Ahmad, in her personal capacity, noted that the provisions of the new BOFIA addressed a number of issues that strengthen stability, confidence of market users, and the market conduct, adding that there had been much innovation in the country's financial system.

The event was attended by Hon Justice Mahmud Mohammed, former Chief Justice of Nigeria; judges of the Supreme Court and Court of Appeal; Officials of Office of the Attorney General of the Federation and Ministry of Justice; Independent Corrupt Practices & Other Related Offences Commission (ICPC); Dr. Herbert Wigwe, Chairman, Body of Chief Executive Officers (CEOs); Departmental Directors from the CBN, among others ■

## eNaira Is Safe And Secure - Monguno

By: **Blessing Uzoagbado**

The Director, Consumer Protection Department (CPD), Mrs. Monguno Rashida Jumoke, has disclosed that the launch of the eNaira does not increase the risk of electronic fraud for consumers of banking services. She stated this during an interview session with the CBNUpdate crew on 27th October, 2021.



nairametrics.com

Mrs. Monguno said the eNaira is safe and secure and that the CBN has issued guidelines and policies to protect users. She also stated that the existing CBN know your customer (KYC) requirements will apply to the eNaira.

The Director further reassured that the Consumer Protection Department is adequately prepared and has strengthened the Consumer Complaints mechanism to effectively handle all escalated complaints from consumers of the eNaira.

According to Mrs. Monguno, the Financial Institutions are the first level support for complaints and banks have been directed to set up customer help desks for the eNaira. She stated that customers can engage their banks through phone calls, emails or social media platforms.

Speaking further, she said that the eNaira has been designed to be safe and secure and therefore encouraged Nigerians to embrace the digital currency due to the convenience it offers users ■

# Emefiele Harps on Increased Digital Payment System Surveillance

By: Auwalu Alhaji



**T**he Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has emphasized the need for an increased regulatory oversight in order to proactively monitor developments in electronic and digital payment systems amidst growing impact of the financial technology companies (FinTechs).

Mr. Emefiele stated this in an address at Enugu State, while declaring open the CBN's 31st Seminar for Finance Correspondents and Business Editors, with the theme: "Trends in Nigeria Payments System: Regulating the Fintech Digital Playing Field."

Represented by CBN Deputy Governor, Corporate Services Directorate, Mr. Edward Lamekek Adamu, the CBN Governor noted that discussions had increased around issues of digital economy, as more opportunities have emerged for financial institutions and other players within the payment ecosystem to innovate and provide more efficient

options for payments and settlements. He said regulators must keep pace with these exponential developments in the digital financial landscape and leverage new knowledge and technology tools to enhance the efficiency and effectiveness of their mandate.

Emefiele pointed out that from all indications, digital revolution would remain a focus for financial institutions in the months ahead, therefore making Fintechs a major driver of the industry. According to him, "As the global economy recovers from COVID-19, it is obvious that Fintechs will play a more important role towards resilient and sustainable recovery.

Studies have already shown that only one per cent of Fintechs have been critically affected by COVID-19 and two per cent severely affected. By comparison, around 17 per cent of other high-growth companies fall into these categories."

He added that, it is therefore unsurprising that many Fintechs have experienced a surge in demand as working practices and customer banking habits had changed.

In his address, the Director, Corporate Communications Department, Mr. Osita Nwanisobi thanked the Governor, Mr. Godwin Emefiele and the Deputy Governor (Corporate Services), Mr. Edward Adamu, Directors, executives of the Bank, facilitators and journalists for their support over the years in positive reportage of the Bank's policies and programmes. He urged participants to continue with their support by providing positive reportage of the Bank's programmes and policies.

Mr. Nwanisobi noted that the purpose of the seminar was to provide a platform to educate journalists on the current activities of the Bank and what informed the Management's bend towards

these activities.

Presentation made at the two-day seminar were: "Creating a Secure Cyber Environment for Financial Transactions", "Implications of Trends in the Digital Financial Ecosystem for Monetary Policy Implication", by Director, Monetary Policy Department, Dr. Hassan Mahmud; "Trends in Nigerian Payments System: Regulating the FINTECH Digital Playing Field", by Musa Itopa Jimoh, Director, Payments System Management Department.

Others includes: "The FINTECH Phenomenon: Implications for Supervision and Regulation", by Mustapha Haruna, Director, Banking Supervision Department; "Understanding the CBN Digital Currency", by Rakiya Muhammed, Director, Information Technology; and "The Role of the Media in Promoting an Effective Payment System", by Christian Ochiama, Executive Director, Leadership Newspaper. ■

## CBN Pledges More Support for Youth Empowerment

By: **Louisa Okaria**

The Governor, Central Bank of Nigeria, Mr. Godwin Emefiele, has urged Nigerian youths to explore all the CBN interventions and realize their potentials. The Governor also said that the Bank remains committed to supporting youth empowerment, through sports and its other



intervention programmes.

Mr. Emefiele was speaking during the finals of the All Financial Institutions Football Competition (AFIFC) played at the U.J Esuene Stadium, Calabar. The Governor who was represented by the Deputy Director, Corporate Communications Department, Mr. Samuel Okogbue said that the CBN interventions are geared towards youth sustainable development, the Nation's economic growth.

Governor Emefiele reiterated that the management of the Central Bank of Nigeria remains committed to initiatives that will reduce youth unemployment and urged them to embrace entrepreneurship.

He outlined some of the initiatives that the youth can participate in to include the Anchor Borrowers Programme, Creative Industry's Financial Initiative (CIFI), and Tertiary Institutions Entrepreneurship Scheme (TIES) among others. ■



# Tomato Boom Looms in Nigeria

## 12 Commodities, 10 Million Jobs in 5 Years

Nigeria used to be the third largest importer of Tomatoes in Africa, spending over N22 billion annually. However, the recent intervention in the sector by the Central Bank of Nigeria, has led to the identification of 183,908 farmers to participate in the current farming season. This is expected to yield about 7.4 million metric tonnes of tomato per annum.

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**Central Bank of Nigeria**

# eNaira - FREQUENTLY ASKED QUESTIONS

## What is eNaira?

eNaira is a central bank digital currency (CBDC) issued by the Central Bank of Nigeria as a legal tender. It is the digital form of the Naira and will be used just like cash.

## What is an eNaira wallet?

The eNaira wallet is a digital storage that holds the eNaira. It is held and managed on a distributed ledger. The eNaira wallet is required to access, hold and use eNaira.

## What makes eNaira different from the money in my bank account?

eNaira is the digital form of the cash and is a direct liability on the Central Bank of Nigeria while the customer deposits are direct liabilities on the financial institutions.

## In a typical transaction, what is the difference between an online bank transaction and eNaira wallet?

There are intermediaries for the typical online bank transactions, whereas for eNaira transactions, there are no intermediaries.

## What are the benefits of eNaira?

The benefits of the eNaira are:

- Fast, cheap, reliable and available payment channel.
- Support digital economy.
- Improved economic activities.
- Simplified and easy cross border payments and trade.
- Inclusion of excluded people in the financial system.
- Improved effectiveness of monetary policies.
- Ease in tax remittance and collection to support the Country's growth.
- Ease in targeted social interventions to support Nigerians.

## What is the primary role of the CBN with respect to eNaira?

In line with Section 2 of the CBN Act 2007, the CBN is the issuing authority of all forms of Naira. The Central bank will also be responsible for determining the technical, regulatory and operational standards for eNaira.

## Will eNaira replace cash?

No, it will circulate alongside cash. The eNaira will

complement cash as a less costly, more efficient, generally accepted, safe, and trusted means of payment.

## Is eNaira safe?

eNaira is safe and secured with cryptographic techniques against counterfeiting, cloning, and other forms of attack.

## As an eNaira holder, am I assured of data privacy?

Yes. Similar to the privacy enjoyed by current online banking patrons, the eNaira system has been designed to ensure data and user privacy. There are also operational policies and procedures in place to protect users' identity and privacy.

## Who can access eNaira?

Similar to cash, any person or business can have access to eNaira as long as they have the requirements for on boarding.

## What is the exchange rate between eNaira and physical naira?

The eNaira will have the same value as the physical naira. As such, it will be exchanged one to one.

## Why should an individual download and fund the eNaira wallet?

- 99.9% service availability.
- Low charges.
- Nationwide acceptance.
- No dispensing errors.
- Advanced data privacy and security.

## Why should a business/corporate operate the eNaira wallet?

- Instant settlement
- 99.9% service availability and reliability
- Low charges
- No dispensing errors
- No reconciliation issues

## How do I access eNaira?

Customers will be able to access eNaira via the eNaira wallet in app stores such as Google Play store and the Apple App store. Users can also dial a USSD short code and follow the required steps to perform transactions.

*Culled from: <https://www.enaira.com/>*



# Unlocking The Potential

## 12 Commodities, 10 Million Jobs in 5 Years

A nation that is self-sufficient in producing most of what it consumes and in creating jobs for its youth, will ultimately drive growth that will make life better for all its Citizens. Exciting times are here. Support the economic revolution.

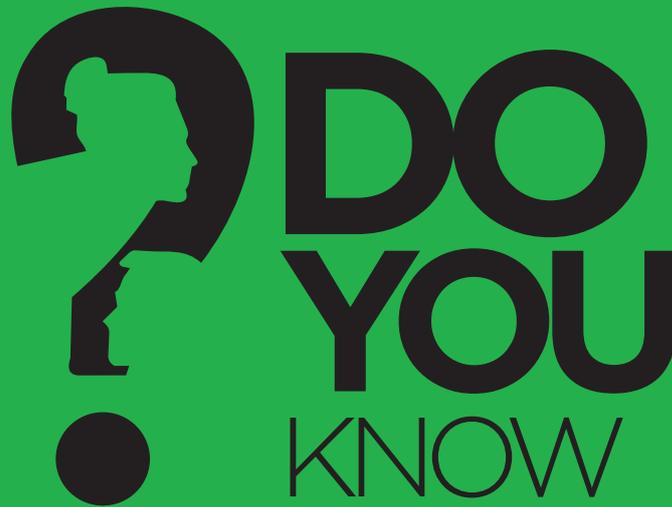
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Central Bank of Nigeria



**Agricultural Credit Support Scheme (ACSS):** ACSS was introduced to enable farmers exploit the untapped potentials of Nigeria's agricultural sector, reduce inflation and lower the cost of agricultural production (i. e. food items).

**Commercial Agriculture Credit Scheme (CACs):** Commercial Agriculture Credit Scheme (CACs) was created to provide finance for the country's agricultural value chain (production, processing, storage and marketing). Reduce the cost of credit in agricultural production to enable farmers exploit the untapped potentials of the sector.

**Refinancing and Rediscounting Scheme (RRF):** To encourage medium and long term bank lending to the productive sectors of the economy in order to expand and diversify the nations production base.

**Micro Enterprises:** These are enterprises with less than 10 employees with a total asset of less than N5 million (excluding land and buildings) and operated by sole proprietor.

**Small and Medium Enterprises (SMEs):** SMEs are entities with asset base of N5 million and not more than N500 million (excluding land and buildings) with employees of between 11 and 200.

**Women-Owned Enterprises:** These refer to Nigerian women (group or individuals) or enterprises that are at least 75% owned by female Nigerians.

**Participating Financial Institutions (PFIs):** PFIs shall be Microfinance Banks, Microfinance Institutions (NGOs and Financial Cooperatives), Finance Companies and Deposit Money Banks (DMBs) that satisfy the eligibility criteria defined in this Guideline.

**Microfinance Banks (MFBs):** MFBs are companies licensed by the CBN to carry on the business of providing microfinance services, such as savings, loans, domestic funds transfer and other financial services that are needed by the economically active poor, as defined by the Revised Regulatory and Supervisory Guidelines for Microfinance Banks in Nigeria.

**Microfinance Institutions (MFIs):** MFIs are establishments registered to carry on the business of microfinance services, such as savings, loans and other financial services that are needed by its members.



Central Bank of Nigeria