



Central Bank of Nigeria

# CBNUPDATE

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## Emefiele Urges States to Invest in the Economy

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- "Naira 4 Dollar Scheme" Gets Extension
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- Leverage Intervention to Boost Economy - CBN

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## Editor's Note

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

The editorial crew remains committed to serving you the latest news stories on the Bank's activities, programmes, news analyses, and articles packaged for your reading pleasure.

In this edition, we bring you a news story of the CBN Governor, Mr. Godwin Emefiele urging State Governors to invest in key sectors of the economy to ensure food sufficiency, increased agricultural output and significantly improve the welfare and well-being of citizens.

It is in this same light that the Bank seeks to inspire the Nigerian youth to take up farming as we bring a news story of the Governor wooing the youth to embrace agriculture.

We feature the news analysis on the growing rice pyramids through the five years existence of the CBN Anchor Borrowers' Programme (ABP), and small-holder farmers getting a boost still under the initiative.

There is an exciting story on the CBN Governor, Mr. Godwin Emefiele playing host to the Executive Governor of Central Bank of Liberia (CBL), Mr. Jolue Tarlue Jnr., when he led a delegation to seek the CBN facilitation of effective trade between both countries and West African Monetary Zone (WAMZ) in the sub region.

Also, in this edition, we featured a news story where the CBN Governor refuted claims of imbalance in the disbursement of agriculture intervention loans to a section of the country while charging agriculture stakeholders in the various crop value chain to ensure food security.

These are some of the interesting news stories put together for your reading delight.

**Osita Nwanisiobi**  
Editor-in-Chief

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

**Osita Nwanisiobi**  
Editor -in- Chief



# Emefiele Urges States to Invest in the Economy

By: **Olusola Amadi**



Rivers Cassava Processing Company being Commissioned

**T**he Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has urged State Governors to invest in critical sectors of the economy such as agriculture and manufacturing, given the multiplier effect on growth, employment, and wealth creation.

Mr. Emefiele made this call at the inauguration ceremony of the Rivers Cassava Processing Company Limited in Oyigbo, Rivers State on May 27, 2021. He charged State Governors to reduce their dependence on allocations from the Federation Accounts Allocation Committee (FAAC) by striving to make their States viable through investment in the cultivation of crops where they have comparative advantage.

The Governor expressed hope that the project would enhance the sustainability of farming operations for over 3000 farmers by guaranteeing the offtake of their farm produce. He urged government agencies at State and Federal levels to work in partnership towards diversifying the economy and creating an enabling environment for investments such as the cassava processing plant.

Governor Emefiele noted that the development of cassava with its various by-products would boost

industrial development in Nigeria. He therefore called on manufacturing companies to source for raw materials and inputs such as glucose, starch to meet their demands from the plant, as this would aid the country to conserve foreign exchange.

While identifying land development as a major constraint to increased agricultural activities in Southern Nigeria, he noted that the CBN, through the Accelerated Agricultural Development Scheme (AADS), had collaborated with four State Governments to provide N7.436bn credit facilities for lands, infrastructure and inputs to boost the agricultural sector in the region.

Governor Emefiele also noted that the current global economic disruptions had made it imperative for the CBN to work towards supporting programmes that will enable greater cultivation and processing of key agricultural commodities.

While disclosing that N333.196bn had been disbursed to various projects in the South-South region across different economic sectors, he restated the decision of the CBN not to support the importation of items that can be produced locally and assured of the willingness of the Bank to

collaborate with State Governments to develop viable agricultural and manufacturing sectors in line with the CBN's mandate of promoting economic growth for the country.

The Governor noted that the development finance initiatives of the CBN were focused on creating an enabling environment that will drive public and private sector participation in the real sector. This, he added would ensure strategic deliverables around price stability, job creation, financial inclusion, import substitution and accretion to the foreign reserves amongst others.

Mohammed Sabo Nanono, said that the Rivers State Government had become a pacesetter in the collective efforts of making agriculture work in Nigeria. He further said that the plant was a direct response to address the challenges of food security in Nigeria.

He also noted that as part of his Ministry's drive to encourage bakers to embrace import substitution of wheat and flour, there would be an increased drive to incorporate cassava flour in their baking activities as the cassava processing plant was capable of meeting their needs.



Part of the Rivers Cassava Processing Plant

Speaking at the event, the Rivers State Governor, Chief (Barr.) Nyesom Wike stated that in order to ensure continued access to raw materials by the plant, his administration would encourage the cultivation of available vast fallow lands in the State. He expressed belief that the plant will run profitably, generate revenue, pay taxes, and create employment.

While calling on youth in the State to avail themselves of the opportunities offered by the cassava processing plant, Wike noted that his administration would ensure a constant supply of raw materials to the plant.

He added that beneficiaries would undergo a verification process prior to the disbursement of the seed capital set up to increase the volume of cassava production. During the inauguration, the Minister of Agriculture and Rural Development,

Mr. Nanono further disclosed that, as part of the Ministry's support for the growth of the cassava processing plant, he would be donating 10,000 high-quality cassava stems from the National Root Crops Research Institute to the project.

Also speaking at the event, Osagie Okunbor, the Country Chair, Shell Petroleum and Development Company, through his representative, Igo Weli, stated that the local value-addition to cassava via local manufacturing and processing could potentially unlock about \$16m in taxes to the government.

He expressed hope that the people of Rivers State would earn more revenue from the cassava value-chain even as his organization utilises leading technology to process and create value from the cassava crop ■



## News Analysis

# The Growing Rice Pyramids

By: Ademola Bakare



Anchor Borrowers' Programme Creates Grain Pyramids Across the Country

The Anchor Borrowers' Programme (ABP) initiated by Mr. Godwin Emefiele barely a year into his tenure as the Governor of the Central Bank of Nigeria in 2015, was audacious move. A programme of necessity one would say, due to the dwindling revenue from oil, Nigeria's monolithic product, and mainstay of the economy. Intellectually conceived, it was borne out of stark reality that though Nigeria is blessed with what it can produce and eat, yet, the country was strapped to warped foreign taste, exporting jobs, and ultimately, draining the country's reserves.

For an economy that was weak and wobbling, reality dawned on the country that it was left with no option but to look inwards and take action, knowing that if it continued on the path it was on, her economy was on the verge of slipping into recession.

Emefiele took the 'bashing' as if he was the reason for the economic woes. It is a known fact that, the clamour for economic diversification predated Emefiele's appointment, an almost four decades clamour. It however took an ingenious nationalist in Godwin Emefiele, to embark on a 'one-man' riot economic diversification campaign. Taking the bull

by the horns, he launched what is today one of the most successful intervention programmes of the Central Bank of Nigeria.

A paradigm shift from the past, Emefiele, before the launch of the intervention programme, ensured every Nigerian with a bank account, or a new account owner, had a BVN – a 'gold fish' has no hiding place-like programme, to ward off chronic bank debtors, who may, as typical of their enterprise, try to exploit the ABP.

Today, we are witnesses to the gains of Anchor Borrowers' Programme, first launched in Kebbi State by President Muhammadu Buhari, on 17th November, 2015. The support of Mr. President for the ABP success cannot be wished away, being an essential part of his administration's economic diversification efforts. No doubt, Anchor Borrowers' Programme has catalyzed perception of agriculture as a tool for economic empowerment, to a sustainable income generating activity, particularly for the rural dwellers with significant potential for growth.

From inception till date, the Bank has financed 2,923,937 farmers, cultivating 3,647,643 hectares

across 21 commodities through 23 Participating Financial Institutions in the 36 States of the Federation, including the FCT. In its continuous efforts, the Bank under the 2020 wet season CBN-RIFAN partnership, has financed 221,450 rice farmers for the cultivation of 221,450 hectares in 32 States. The North-West zone alone, with 85,261 farmers, cultivated 120,218 hectares, representing 38.5% in total number of farmers, and 54.3% in total number of hectares financed.

Taking stock of the last five years, the ABP initiative has elicited significant improvements in the way Nigerians, particularly the youths, have embraced agriculture as a business and even, lifestyle. Part of the success story is the several layers of control put in place to improve on transparency and accountability among all stakeholders, culminating in growth in the agricultural sector.

The bane of any strategic initiative like this is the attitude of beneficiaries in repaying loans, which is crucial to its sustenance. Thus, to arrest the menace, the Bank constantly engages the farmers to enhance their trust in the system, by rewarding those with good repayment records, and at the same time facilitating effective market linkages with millers for the offtake of their output.

Like every novel programme, the Anchor Borrowers' Programme had its teething problems, yet, emerging results from the programme reaffirms the belief in the potential inherent in Nigeria's agricultural sector. The evidences are the massive rice pyramids launched in Niger State last year and most recently, in Kebbi, Gombe and Ekiti States, which demonstrated the harvests from various farm fields, and serve as confirmation of the significant increase in domestic production of key staple items in the country, particularly rice.

The Governor has reiterated the Bank's commitment to financing one million hectares of rice farming in the 2021 dry season to explore two production cycles within the dry season. He said that the Bank has deepened its stakeholders' engagement aimed to increase the arable land under cultivation to improve productivity per hectare using improved seeds and agronomic practices. Also, as part of arrangements to achieve this objective, the Bank is partnering with RIFAN, Private/Prime Anchors, Ministry of Agriculture and Rural Development and other stakeholders under the Food for Jobs Initiative.

Continuing, Emefiele said the Bank was not relenting in its engagement with the security operatives and State Governors, to improve on security nationwide which majorly had hampered food production and farming in the country, not unmindful of the fact that providing an enabling environment that will aid the achievement of the objective of the ABP.

The ABP no doubt, has continued to attract huge private sector investment, including the Bankers' Committee, who took it upon themselves to partner with the Bank to drive its economic diversification programme, thus culminating in installed capacity of integrated mills. With the symbolic rice pyramid events in Niger, Kebbi, Gombe and Ekiti States, combined with the official flag-off of input

distribution for the 2020/21 dry season rice farming in the North-West and South-West zones, it is imperative Nigeria redoubles her production capacity to provide enough paddy for the mills.

It has been a good story in the past five years when CBN suspended 41 items, (later 43) from accessing fund from the official forex window. But for the audacious initiative to ban importation of foreign rice by the government to protect and encourage

**The Governor has reiterated the Bank's commitment to financing one million hectares of rice farming in the 2021 dry season to explore two production cycles within the dry season.**

**He said that the Bank has deepened its stakeholders' engagement aimed to increase the arable land under cultivation to improve productivity per hectare using improved seeds and agronomic practices.**



Some of Grain Pyramids as a fall-out of the ABP

local farming, and production of rice, there would have been a major food crisis when most nations in the wake of the outbreak of COVID-19 pandemic, shut their borders, and banned export, especially rice producing Asian countries. Indeed, the ABP programme proved to be a timely lifesaver.

The goal of the ABP is to attain self-sufficiency in food production, and moderate prices of agricultural commodities. It is in this drive that the CBN, in partnership with critical stakeholders, has committed N50bn to the resuscitation of the Nigeria Commodity Exchange (NCX).

As is the case in other climes, a vibrant commodity exchange enhances post-harvest handling, guarantees effective pricing for

farmers, and minimizes adverse effect of middlemen, thereby transferring the gains from primary production to other nodes of the value chain.

Nigeria is endowed to meet her food requirement and food security if we can only sustain current efforts and remain committed as a nation. Otherwise, as Governor Emefiele said, the rhetoric around neglect of previous years will remain part of our history if we refuse to embrace what is our own.

The best time to correct those mistakes is now and every stakeholder must contribute their quota to guarantee the realization of these national targets■

## Emefiele Announces Increase in TCF Fund to N300bn

By: **Louisa Okaria**

Following the successful disbursement of the N150bn for the Targeted Credit Facility (TCF) for households and Small and Medium Enterprises (SMEs), the Central Bank of Nigeria (CBN) has announced its decision to increase the fund from its initial N150bn to N300bn.

The CBN Governor, Mr. Godwin Emefiele disclosed this at a virtual seminar for finance editors and correspondents held simultaneously in Lagos and Abuja.

Mr. Emefiele represented by the Deputy Governor, Corporate Services, Mr. Edward Adamu, said that the CBN intervened to help alleviate the plight of households and business enterprises that had been negatively affected by the COVID-19 pandemic.

Furthermore, Mr. Emefiele stated that the Bank created the N150bn TCF for affected households and small and medium enterprises through the NIRSAL Microfinance Bank.

The Governor said that positive impact on growth was visible in the economy following the successful disbursement of N149.21bn to 316,869 beneficiaries. To further drive the growth and accommodate more beneficiaries, the Bank had increased the Fund to N300bn in order to boost consumer expenditure that would stimulate the economy.

Recall that the CBN launched the TCF in April 2020 as a stimulus package to assist households and micro, small and medium enterprises (MSMEs) affected by the coronavirus pandemic■



# Small-Holder Farmers Get Boost Under ABP

By: Ademola Bakare



Photo credit: Africapedia

**T**he Central Bank of Nigeria (CBN) has disbursed a total sum of N631.4bn to 3,107 small-holder farmers to cultivate 3.8million hectares of land under the Anchor Borrowers' Programme (ABP).

This was revealed by the Governor, Mr. Godwin Emefiele at the end of May 2021 Monetary Policy Committee meeting of the Bank which held at its head office, Abuja. He said that its Agri-Business Small and Medium Enterprises Investment Scheme (AGSMEIS) gave out credit of N111.7bn to 29,026 beneficiaries, while credit facility totaling N253.4bn went to 548,345, comprising 470,969 households and 77,376 SMEs.

He noted that, these interventions had helped to boost output, even as he pledged that the Bank would continue to aggressively increase its interventions in these subsectors, including agricultural processing and manufacturing. Under the Creative Industry Financing Initiative (CIFI), he said the CBN had also disbursed the sum of N3.19bn to 341 beneficiaries across movie production, movie distribution, music and software development, while under the Bank's N1trillion Real Sector Intervention, N856.3bn had been disbursed for 233 real sector project, of which 77

are in light manufacturing – 36 in agro-based industry, 30 in services and 11 in mining.

Stressing further, the Governor said that under the Bank's N100bn Healthcare Support Intervention fund, the sum of N97.4bn had been disbursed for 91 health care projects, of which 26 were pharmaceuticals and 65 hospital services.

Continuing, Emefiele said N232.5million had been disbursed to five beneficiaries under the Health Grant for Research on COVID-19 and Lassa Fever, and for its National Mass Metering programme, N35.913bn classified as confidential was disbursed to 9 DisCos for acquisition of 656, 752 electricity meters. He added that, its Nigerian Electricity Stabilization Facility (NEMSF) window had also disbursed N93.8bn to 11 DisCos.

The Committee members, he said, applauded Government's effort in combating headwinds imposed by the coronavirus pandemic. However, they urged that going forward, the Government should avoid another total lockdown as was the case in 2020. The report stated that this would obliterate the gains jointly achieved by the Government and the Central Bank of Nigeria in response to the COVID-19 outbreak.

Mr. Emefiele further stated that the MPC had carefully considered options available vis-a-vis policy direction in the short to medium term as well as appraised current measures by the Government to purchase COVID-19 vaccines and preparedness of relevant public health agencies to guard against the spread of the mutating strains of the virus.

He added that the Committee also noted steps taken so far by the Government in ensuring that up to 70 percent of the population get vaccinated to drastically drive down the infection rate in the country and hence, sustain economic activities.

Meanwhile, they noted, with concern, the unabating security crisis, especially in the food production belts of the country that had taken severe toll on food supply and prices. The Committee called on the Government to intensify efforts toward permanently putting to rest the menace to ease supply bottlenecks and bring down food prices ■

# CBL Seeks Facilitation of Nigeria-Liberia Trade

By: **Daba Olowodun**



CBN Governor, Mr. Godwin Emefiele (Centre) and the CBN Deputy Governors in charge of Operations and Economic Policy, Mr. Folashodun Shonubi (right); Dr. Kingsley Obiora (Second right) with the CBL Executive Governor, Mr. Jolue Tarlue Jr. (Second left) and his acting Deputy Governor for Operations, Ms. Nyemadi D. Pearson (far left)

Effective trade between Nigeria and Liberia was on the front burner, as the Executive Governor of the Central Bank of Liberia (CBL), Mr. Jolue Aloysius Tarlue Jr., led a high-powered team on a working visit to the Central Bank of Nigeria (CBN) on May 11, 2021.

The CBN Governor, Mr. Godwin Emefiele, in his welcome remarks, stressed the need for both Central Banks to actively facilitate trade between their countries and indeed, work with other Central Banks in the region to achieve better trade relations.

Mr. Jolue Tarlue further appreciated the CBN for its leadership role in the achievement of the objective of the West African Monetary Zone (WAMZ) in the sub-region.

He further stated that the aim of the visit was to glean from the experience of the CBN in matters of currency reform and management, including infusion, withdrawal and destruction of mutilated and old banknotes, as part of the currency

replacement strategy of Liberia which was being implemented by CBL.

A highpoint of the visit was the signing of the Memorandum of Understanding for Technical Assistance and Capacity Building (TACB), between Governor Emefiele and Executive Governor Tarlue on behalf of their respective Central Banks.

Some of the principal areas covered by the agreement include Monetary Policy Operations; Currency Management; Statistical and Data Analysis; Macroeconomic Forecasting & Policy Analysis; Collaborative/Joint Research; and AML/CFT and Cyber Security Training, among others.

The visiting team was thereafter led on a guided tour of the Nigerian Security, Printing & Minting Company (NSPMC), which is one of the four (4) state-owned printing and minting companies in Africa. The other African countries with their own printing and minting companies are South Africa, Algeria, and Egypt. ■

# CBN Retains MPR at 11.5%

By: Ruqayyah Mohammed



The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) at its 279th meeting on May 25, 2021 voted to hold the Monetary Policy Rate (MPR) at 11.5 percent. All other policy parameters around the MPR were retained.

The CBN Governor, Mr. Godwin Emefiele while briefing the press on the outcome of the Committee's two-day meeting, announced that 10 out of 11 members present at the meeting voted unanimously to retain MPR and all parameters around it. The MPR was retained at 11.5 percent, while the asymmetric corridor remained at +100/-700 basis points around the MPR; CRR at 27.5 percent and the Liquidity Ratio at 30 percent.

In announcing the Committee's decision, the Governor said that the setbacks experienced by the global economy due to the COVID-19 pandemic would gradually recover on account of widespread vaccinations, easing of restrictions, reopening of economies and gradual return to international travels.

Mr. Emefiele stated that the available output data from the National Bureau of Statistics showed that the real Gross Domestic Product (GDP) grew by 0.51 percent in the first quarter of 2021, compared to 0.11 and -3.62 percent in fourth and third quarters of year 2020, respectively. The growth in the real GDP was largely driven by the non-oil sector. The major drivers of the non-oil GDP were agriculture

and industry with sectoral growth rates of 2.28 and 3.05 percent respectively in the first quarter of 2021, he noted.

The Oil sector, according to him, contracted by -2.21 per cent in first quarter, however the weak performance of the Oil sector was largely attributed to the decline in production, in compliance with the OPEC and production cut agreement. He however said that in view of the MPC decisions, although the economy had succeeded in existing the recession, the recovery was very fragile, given that the GDP of 0.51 percent was still far below population growth rate.

The Committee therefore was of the view that there was a strong need for monetary authorities to consolidate on all administrative measures currently being taken, not only in inflation but also for the action so far taken to spur output growth, he added.

According to the Governor, the marginal growth in the Manufacturing Purchasing Managers' Index (PMI) was a lead indicator of recovery of output growth following the easing of restrictions to curtail the spread of the Pandemic. He further noted that there was a moderate rise in the employment level component of both the manufacturing and non-manufacturing PMIs in April 2021.

In addition, he said the moderate decline in headline inflation (year-on-year) to 18.12 percent, in April 2021 from 18.17 per cent in March 2021



following 19 consecutive months of continuous rise. He stated that the decrease was partly attributed to the Bank's massive intervention in various sectors of the economy.

On global economic developments, he however noted that the economy was expected to remain on the current trajectory of recovery in 2021, while monitoring the cautious optimistic trend in global output recovery. The Committee reviewed the developments in the global economies, with the COVID-19 vaccination drastically reducing fatalities across several economies. The recovery, however, remains uneven and was tilted against developing economies compared with the developed economies with better access to vaccines.

Mr. Emefiele further noted that prices were expected to rise globally due to the massive monetary and fiscal injections in several countries to mitigate the impact of the Pandemic. The MPC noted the gradual recovery of prices, especially amongst some developed economies while in several Emerging Markets and Developing Economies (EMDEs) inflation had remained relatively high.

He noted that the prevailing conditions in the global financial markets remained relatively stable as central banks continues to sustain monetary accommodation. The Governor further noted that there were growing indications that monetary policy normalisation will commence, however timing and pace of this normalisation must be carefully managed to mitigate the risk of a financial crisis post-Pandemic.

The Committee pointed out that the optimism for medium-term macroeconomic recovery in both the global and domestic economies was slow, but steadily growing even as some level of uncertainty were still present.

The Committee maintained that key macroeconomic variables for the Nigerian economy suggested that output growth would continue to recover for the rest of 2021. This was premised on the continued support for agriculture to improve food supply, reduce inflation and improve employment. Also efforts of both the monetary and fiscal authorities to improve infrastructure challenges in the country. ■

## Credit to Private Sector Rises to N31.8tn

By: **Ademola Bakare**

Following the pledge made by the Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, at the last Monetary Policy Committee (MPC) meeting for 2020, statistics from the CBN indicate an increase in credit available to the private sector.

The Credit Statistics released by the Bank recently, showed that the private sector secured improved liquidity for its operation in April 2021. This followed the rise in credit from N30.65tn to N31.82tn sourced from the banking sector in January.

It showed that the sector received an additional N1.17tn credit in April over the N30.65tn of January indicating that credit to private sector in its Year-till-Date and Year-on-Year performance gained 10.14 percent and 3.83 percent respectively.

The data showed that credit to the private sector in January 2021 was N30.65tn but dropped by 0.47 percent to N30.50tn in February. However, credit to the sector rose again between March and April

from N31.4tn to N31.82tn. According to the Credit Statistics, N30.15tn was reported as credit to private sector in December 2020, an increase of 13.12 percent from N26.55tn reported in January 2021.

This improved access to credit was reflective of the CBN's policy directive to all banks in the country to meet its 65 percent Loan-to-Deposit Ratio (LDR) target. Equally, growth in credit to government and the private sector reflected the impact of the various policy measures of the Bank to promote flow of credit to drive economic activities.

From the statistics in review, credit to government rose by 1.4 percent to N12.16tn in April 2021 from N11.99tn in March 2021. It will be recalled that the CBN Governor, Mr. Godwin Emefiele, had in his personal statement at the end of second Monetary Policy Committee (MPC) meeting of March 2021 said the members observed growth in private sector credits over various interventions aimed at spurring aggregate demand, stimulating output, and de-risking the productive activities. ■

# Emefiele Faults Claims of Imbalance in Agric Interventions

By: **Olalekan Ajayi**



CBN Governor, Mr. Godwin Emefiele (centre) flanked from left to right by Rotimi Akeredolu and Kayode Fayemi, Governors of Ondo and Ekiti States, and Mohammed Badaru and Abubakar Bagudu, Governors of Jigawa and Kebbi States

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has faulted claims in certain quarters suggesting that the Bank's targeted interventions in the agricultural sector are tilted in favour of a certain section of the country.

Mr. Emefiele made the clarification in Ado-Ekiti, Ekiti State, on Tuesday, May 18, 2021, while unveiling the 2020 wet season harvest aggregation and flag-off of the 2021 wet season input distribution in the South-West geo-political zone under the CBN-RIFAN Anchor Borrowers' Programme.

According to him, contrary to views held by some individuals and interest groups, the Bank's interventions in the Anchor Borrowers' Programme (ABP) were not only about rice production but had expanded to over 21 crops and were evenly spread across the country. Describing criticisms against the Bank's effort at boosting agriculture in Nigeria as unfair, he disclosed that more than N300bn had been disbursed to companies operating in the southern part of Nigeria, citing companies and farmers across Lagos, Edo, Ondo, Ogun, Osun, Ekiti, Bayelsa, Rivers, Cross River as major beneficiaries of the Bank's interventions.

Meanwhile, Mr. Emefiele charged stakeholders in the various crop value chains in the Nigeria to continually make consistent and positive strides towards attaining food security, noting that attaining self-sufficiency in food production will not come cheap.

While acknowledging the current challenges in attaining food security in Nigeria, he said synergy among stakeholders will surely catalyse the growth process, assuring that the CBN stood ready to offer effective partnership to deliver on this critical national mandate of attaining self-sufficiency in food production.

According to him, the sustainability of Nigeria's current efforts in agricultural production can only be guaranteed if youths are attracted into agriculture as they remain the future of the Country. He therefore enjoined Nigerian youths to embrace agriculture, noting that the "They have the talent, energy, enthusiasm, technological adoption capacity and all the right drive to revolutionize agricultural production in Nigeria.

"We must meet them half-way to ensure that we provide the enabling environment to make

agriculture attractive to them," he noted, adding that "the Central Bank of Nigeria stands ready to support youths that are willing to engage in agriculture."

The CBN Governor disclosed that a total of 3,107,890 farmers had been financed for the cultivation of 3,801,397 hectares across 21 commodities through 23 Participating Financial Institutions in the 36 States of the Federation and FCT, from the inception of the programme till date. He added that under the 2020 wet season CBN-RIFAN partnership, the Bank had also financed 221,450 farmers for the cultivation of 221,450 hectares in 32 States.

Emefiele equally disclosed that the Bank planned a minimum 1 million hectares of rice through a combination of RIFAN farmers and prime/private anchors for each planting season in 2021. While also unveiling aggressive production plans for maize, wheat, soybeans, cassava, sorghum and cassava, he noted that the Bank's backward integration drive with rice millers was also gaining momentum as the CBN intends to finance some millers to grow their own paddy during the current wet season.

The CBN Governor also restated the Bank's resolve to partner with the fiscal authorities to ensure the integration of Nigerian farmers into the Government's Economic Sustainability Programme aimed at providing five million homes with electricity using solar energy. He also urged farmers to repay their loans in order to sustain the Anchor Borrowers' Programme (ABP).

He explained that, under the programme, every farmer with a good repayment record in the Anchor Borrowers' Programme would be eligible to get a solar home system that will provide electricity to power their essential home appliances. According to him, the Bank will develop a repayment framework that will allow farmers to use their farm produce as repayment for the electricity consumed by the beneficiaries of the scheme. This is even as he expressed hope that the incentive would improve the standard of living of farmers in Nigeria, motivate prompt loan repayment and ultimately enhance the sustainability of the programme.

"Loan repayment is the hallmark of every credit cycle and the sustainability of the programme is hinged on farmers' ability and willingness to repay their loans, and we are constantly engaging with them to enhance their trust in the system," Emefiele noted.

Unveiling what he described as the first ever grain pyramid in the South-West, Mr. Emefiele also

expressed strong optimism that the event would generate the required momentum to catalyse rice cultivation in the region and provide a sustainable source of paddy for the numerous rice mills springing up in the South-West and its environs.

While reiterating the massive potential in Nigeria's agricultural sector, he stressed the need for more private sector investment in the agricultural value chain, noting that significant improvements in domestic production of staple food items, would help in attaining the country's price stability goals while reducing its dependence on imported food items.

The CBN Governor further revealed that the revamped Nigeria Commodity Exchange (NCX), into which the Bank and its partners had committed the sum of N50 billion, will commence operation by the fourth quarter of 2021. According to him, "a vibrant commodity exchange will significantly enhance post-harvest handling, guarantee effective pricing for farmers, minimize the adverse effect of middlemen and commodity hoarders and ultimately transfer the gains from primary production to other nodes of the value chain.

In his remarks, Governor of Kebbi State, Senator Abubakar Atiku Bagudu, who represented President Muhammadu Buhari and doubles as the Vice Chairman, National Food Security Council, said the rice pyramids unveiled in Ekiti underscored the clarion call by President Muhammadu Buhari for Nigeria to "produce what we eat and eat what we produce". While commending the Ekiti State Governor for cueing into the rice revolution, he said each state in Nigeria had the capacity to produce rice, hence the need for states to compete to develop their respective potential.

Bagudu disclosed that over 50 new rice mills had come on board in Nigeria, signaling that Nigeria was drawing closer to its quest for self-sufficiency in food production. According to him, the recently released data by the National Bureau of Statistics (NBS), indicating a downward trend in inflation, was indicative of the strong performance of the agricultural sector, which he also noted was responsible for the quick exit of Nigeria from two successive recessions.

In their various remarks, the Governors of Ondo (Rotimi Akeredolu), Jigawa (Mohammed Badaru Abubakar) and Osun (Adegboyega Oyetola) stressed the need for greater attention to be given to agriculture import substitution, even as they commended the CBN Governor for his vision in putting the country first by supporting agriculture ■



# Leverage Intervention to Boost Economy - CBN

By: **Olusola Amadi**



**T**he Central Bank of Nigeria (CBN) has urged governments and stakeholders in the South-East zone of the country to leverage the various CBN intervention programmes in critical sectors of the economy even as the Bank scales up its activities in the zone.

This was disclosed by the Acting Director, Corporate Communications Department, Mr. Osita Nwanisobi at the CBN Fair held simultaneously in Enugu and Anambra States on May 4-5, 2021. He stated that the Bank was determined to create awareness on its policies and programmes in order to drive engagement by Nigerians, while noting that there was an observed lethargy on the part of stakeholders in the zone to embrace the policies and interventions that the Bank.

He added that the Bank had introduced wet and dry season farming programmes to address the seasonality of commodities and aggregated challenges experienced by farmers in the States. He noted that the Fair was also to raise public awareness of the Bank's intervention programmes in addition to addressing other issues.

He therefore urged participants to leverage the 37 intervention programmes of the CBN in order to grow their businesses and to contribute their quota to economic growth of the country.

In his remark, the Branch Controller, Awka Branch,

Mr. Benedict Maduagwu stated that the CBN Fair was anchored on the pursuit of sound economic policies that will engender economic growth. He stated that the CBN Fair had the objective to enlighten the public on the various CBN policies and initiatives geared towards strengthening and promoting macroeconomic stability and national development.

He added that the Bank had enacted policies and intervention programmes to promote openness in trade, efficient financial system and to increase capital flows. He said that these had contributed to turning the fortunes of the economy positively as the country had exited economic recession.

He urged participants to take advantage of the opportunities offered by the Bank's initiatives, share information in order to contribute to the growth of the economy. He equally enjoined them to make the right economic decisions that will enable their businesses to thrive.

He said that Anambra State had actively participated in the various programmes of the Bank as it had accessed N2bn and N1.5bn under the Commercial Agriculture Credit Scheme (CACS) and the Accelerated Agricultural Development Scheme (AADS), respectively.

These, he noted, would stimulate the agricultural value-chain development in the state leading to a boost in both agricultural and commercial activities.

Educating the participants on proper ways of safeguarding the naira notes, Mrs. Dorothy Onyene of the Currency Operations Department stated that the Naira was a national symbol of pride. She said that the Bank had introduced a tracking system to identify those who mishandled the Nigerian currency.

The Director, National Orientation Agency, Mr. Charles Nwoji noted that the fair was timely and crucial. He, however, called for increased inclusion of rural dwellers, especially women, in the programmes of the Bank. ■

# Emefiele Woos Youths to Embrace Agriculture

## ...vows to resist importation of maize in Nigeria

By: **Ali Abubakar**



Chemonics.com

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has urged youths in Nigeria to embrace agriculture, declaring the Bank's readiness to support youths that are willing to engage in agriculture. This is, even, as the Governor reiterated the Bank's opposition to the importation of maize into Nigeria.

Mr. Emefiele made the declaration in Katsina on Thursday, May 6, 2021, during the unveiling of the first maize pyramid and flag-off of the 2021 Maize wet season farming under the CBN-Maize Association of Nigeria (MAAN) Anchor Borrowers' Programme.

He expressed belief that Nigerian youth could leverage their talents, along with technological tools to improve farm productivity and delivery of agricultural produce to markets.

While noting that agriculture offered significant benefits for the youth, Emefiele reiterated that the Bank had put in place several measures to improve access to credit for youths interested in Agriculture under the Anchor Borrowers Programme and the Agri Business Small and Medium Enterprise Investment Scheme (AGSMEIS).

According to him, groups of youth with contiguous land for farming are eligible to seek the Bank's support through the CBN prime anchor arrangement.

"The CBN will not only provide access to credit for these youths but will also provide guarantees that their produce will be purchased by a prime anchor at agreed prices," the Governor assured.

Meanwhile, Mr. Emefiele said the CBN would resist attempts by those who seek to continually import maize into the country, noting that maize farmers in Nigeria had what it takes to close the maize demand gap of over 4.5 million metric tonnes in the country.

"With over 50,000 bags of maize available on this ground, and others aggregated across the country, maize farmers are sending a resounding message that "we can grow enough maize to meet the country's demand," he declared.

Speaking further, Mr. Emefiele explained that the maize unveiled at the ceremony would be sold to reputable feed processors, adding that this would in turn impact positively on current poultry feed



Photo credit: cyber era



prices, as over 60% of maize produced in the country are used for producing poultry feed.

Justifying the Bank's continued strategic intervention in the value chains of focal crops, he said the CBN was leading the revolution, because the impact of our monetary policy measures would be limited, if the monetary authority in collaboration with the fiscal authorities failed to address some of the structural constraints that limit productivity in key sectors of our economy such as agriculture. Specifically, he said the Bank's intervention was in line with its mandate and aims at ensuring price stability as well as improved availability of staple food items.

He disclosed that the Bank and MAAN sought to increase the target hectareage for 2021 to 500,000 ha from the 2020 target of 250,000 ha, adding that to achieve the target, the Bank sought to introduce the use of contiguous land, high yielding seeds, mechanization, leveraging technology for land mapping and monitoring as well as expanding the Strategic Maize Reserve (SMR). So far, he said the Bank had released 100,000 metric tonnes of maize to the market, through the major producers.

Emefiele therefore urged all stakeholders to sustain the current efforts to galvanize agricultural

production to meet the requirements of Nigeria's growing population, stressing that the nation could not continue to dwell on the neglect of past years if it was determined to realize the national target of producing what Nigerians eat and eating what is produced in Nigeria.

Also speaking, the Katsina State Governor, Rt. Hon. Bello Masari, said that the state had suffered a setback in agriculture as over sixty thousand hectares of farmlands were uncultivated due to insurgency, which hindered farmers from gaining access to their means of livelihood.

The Governor of Kebbi state Senator Atiku Abubakar Bagudu who represented President Muhammadu Buhari while unveiling the pyramids, reassured the farmers, processors and other value chain participants, of the support of government towards ensuring that they perform optimally. Hence, he said availability of inputs like high yield seedlings and fertilizers were being made available to farmers adequately in addition to prompt off-taking of produce.

He further assured the people of the area that government was taking the security challenge with every seriousness and had resolved to stem it. He therefore commended the resilience of farmers for quantity of maize produced amidst the insecurity.

In his remarks, Governor Badaru Abubakar of Jigawa state recalled with nostalgia that the historical groundnut pyramids he read about in history books were today being seen physically in rice and maize across the country through the help of the Central Bank of Nigeria. He also encouraged youths to take to agriculture for wealth creation by embracing the schemes put in place by the Bank.

Speaking at the event, The Emir of Katsina, AbdulMumin Kabir, bemoaned the security situation in the area and therefore pleaded for serious interventions in order encourage farming activities and sustain the success recorded so far.

Commending the CBN for injecting N50billion into the Commodity Exchange initiative, the President, Maize Association of Nigeria (MAAN), Bello Abubakar, said MAAN had recorded about 80% loan recovery rate since the association began to participate in the Anchor Borrowers' Programme in 2017. He nevertheless urged farmers to repay their loans to enable others also benefit from the scheme ■



# Emefiele Advocates PPP model for Healthcare Infrastructure

By: Ruqayyah Mohammed

The Central Bank of Nigeria (CBN) has urged stakeholders in the public and private sectors to collaborate in building a more robust healthcare infrastructure in Nigeria. The CBN Governor, Mr. Godwin Emefiele made the call at the launch of 'Unmasked', a feature documentary on leadership, trust and the COVID-19 pandemic in Nigeria held in Lagos on May 7, 2021.

Mr. Emefiele said that addressing the public health crisis along with the downturn in the economy required strong coordination. He stated that the measures and interventions implemented by the Bank and the private sector to improve the government's response capacity to the COVID-19 crisis were not enough to build a sustainable healthcare infrastructure.

The Governor, who was represented by the Acting Director, Corporate Communications Department, Mr. Osita Nwanisobi, thanked the organisers of the event for their effort in drawing the nation's attention towards building a stronger and healthier healthcare infrastructure that can serve the vast majority of Nigerians. "This work will require the collaborative efforts of public and private sector stakeholders," he said. He revealed that a study by the World Health Organisation (WHO) showed that only four per cent of Nigerians had access to health insurance. Besides food, he said, healthcare expenses were significant component of Nigeria's average personal spending.

The Governor added that out-of-pocket expenses on healthcare amounted to close 76 percent of total healthcare expenditure. He observed that at such level of health spending, individuals, particularly those in the rural communities, might

be denied access to healthcare services. According to him, "A key factor that has impeded access to healthcare for Nigerians is the prevailing cost of healthcare services."

Mr. Emefiele also advocated the expansion of the insurance net to capture the pool of Nigerians not covered by the existing health insurance schemes. He noted that this would help to increase the pool of funds that could be invested in building Nigeria's healthcare infrastructure and in improving the existing welfare package of our healthcare workers. The Governor reiterated that the private sector had a significant role to play in this regard, given the decline in government revenues as occasioned by the drop in commodity prices. He also called for support for research and development in healthcare.

"Given the challenges our nation faced as a result of the pandemic, it is indeed vital that all stakeholders work to building the capacity of our researchers and institutions to address domestic healthcare challenges" he said. He emphasised that strengthening collaboration and partnerships between researchers, public as well as private sector stakeholders across the country was crucial in enabling Nigeria to build a more robust and proactive healthcare infrastructure system.

In his remarks, the Lagos State Governor, Mr. Babajide Sanwo-Olu urged Nigerians to learn from the lessons of COVID-19 pandemic. He added that the movie premiered showed that the problem of Nigeria was mainly triggered by the people. "We are living testimonies of this, things have to get better in this country and we all have to change the narrative" he said.

## ...CBN Disburses N83.96bn for Pharmaceutical and Healthcare Projects

By: Ademola Bakare

The Central Bank of Nigeria (CBN) in its continued effort to mitigate the devastating effect of COVID-19 on the health sector, has so far disbursed N83.96bn to pharmaceutical companies, healthcare practitioners; and health

projects across the country. The Governor, Mr. Godwin Emefiele, disclosed this on May 7, 2021 while speaking at the premiere of "Unmasked", a documentary on Nigeria's response to the COVID-19 pandemic in Lagos.



Guardian.ng

He emphasised the need to reduce out-of-pocket expenses and increase investment opportunities in the healthcare sector by expanding the base of families and individuals covered under existing health insurance scheme.

Mr. Emefiele, represented by the Ag. Director, Corporate Communications Department, Mr. Osita Nwanisobi said that building a robust healthcare infrastructure was vital from a security perspective. Continuing, he said, the Bank focused its interventions in the health care sector on three areas; building the capacity of healthcare institutions, supporting the domestic manufacturing of drugs by businesses, and providing grants to researchers in the medical field, in order to encourage them to develop breakthrough innovations that would address health challenges faced by Nigerians.

The Governor said that the Bank had disbursed over N83.9bn in loans to pharmaceutical companies and healthcare practitioners to support 26 pharmaceutical and 56 medical projects across the country. Adding that the CBN had mobilised key stakeholders in the Nigerian economy through the CACOVID alliance, which led to the provision of over N25bn in relief materials to affected households, and the set-up of 39 Isolation Centers across the country.

He continued noting that the measures taken had helped to expand and strengthen the capacity of

healthcare institutions to respond to the COVID-19 pandemic, adding further that, the Bank also initiated the healthcare sector research and development intervention grant scheme to aid research on solutions that would address diseases such as COVID-19 and other communicable/non-communicable diseases.

The Governor, while speaking on access to health insurance scheme, said that a key aspect which needed to be addressed was improving access to healthcare for all Nigerians and the prevailing cost of healthcare services.

Speaking further, he said that aside food, healthcare expenses were a significant component of the average Nigerian's personal expenditure, with out-of-pocket expenses on healthcare amounting close to 76 per cent of total healthcare expenditure, saying that, at such levels of health spending, individuals, particularly those in rural communities, may be denied access to healthcare services.

Expanding the insurance net to capture the pool of Nigerians not covered by existing health insurance schemes could help to reduce the high out-of-pocket expenses on healthcare services by Nigerians, he explained. Noting also that it will also help to increase the pool of funds that could be invested in building our healthcare infrastructure and in improving the existing welfare package of our health workers.

Emphasising the importance of the private sector in this endeavour, the Governor noted that the private sector had a significant role to play in this regard given the decline in government revenues as occasioned by the drop in commodity prices; leveraging innovative solutions that can provide insurance services at relatively cheap prices could significantly help to improve access to healthcare for a large proportion of Nigerians, particularly those in our rural communities, he admonished. He therefore stressed the need to heighten the support for research and development in our healthcare sector.

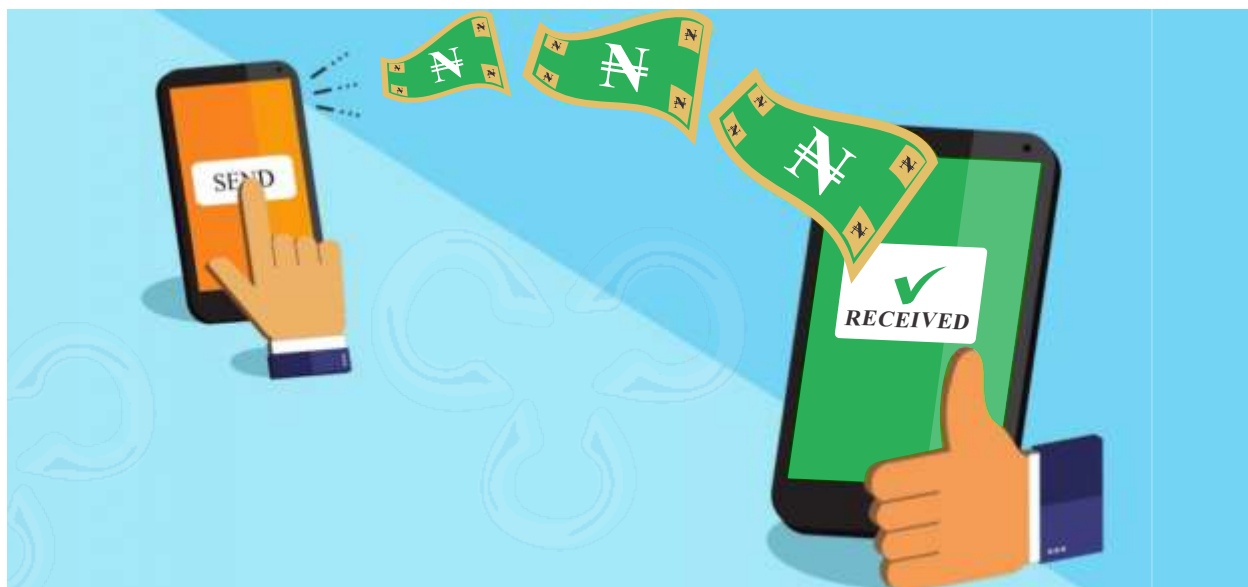
This, he noted that with the CACOVID alliance which reflected significant collaboration between the private and public sectors in not only improving access to healthcare services, but also in disseminating information to the general public on useful measures that should be taken to curb the spread of the virus, played an instrumental role in aiding Nigeria's response to COVID-19 pandemic.

Leveraging capital from the private sector to complement efforts by the government in supporting innovations in the healthcare space can bring immense benefits to our nation, and given the challenges our nation faced as a result of the pandemic he said, noting that it was indeed vital that all stakeholders work to build the capacity of researchers and institutions to address domestic healthcare challenges, adding that, strengthening collaboration and partnerships between researchers, the public as well as the private sector stakeholders across the country was crucial in enabling Nigeria to build a more robust and proactive healthcare infrastructure system, he stressed.

Consequently, the Governor assured that the CBN remained committed to working with all stakeholders in improving access to finance and credit that would support the development of a viable healthcare infrastructure in the country■

## Mobile Transfers Hit All-Time High

By: Ademola Bakare



In April 2021, bank customers in Nigeria transferred a total of 502 billion via mobile applications. The figures, which are the highest monthly mobile transactions since the beginning of the mobile inter-scheme Nigeria Inter- Bank Settlement Systems (NIBSS).

The recently released NIBSS statistics showed that there was also a massive growth in the volume of

mobile transactions when compared with the corresponding figures in April 2020. In the same month last year, according to the report, the value of mobile transactions was 172 billion, making the April 2021 figure higher by 191 per cent.

Also compared with the month of March's transactions, which recorded 480bn, the April figures were still 4.5 percent higher.





Vanguardngr.com

The surge in the use of the mobile platform for financial transactions could be attributed to the outbreak of Coronavirus pandemic last year, which forced bank customers to limit cash-based transactions. It is also posited to be linked to the CBN's cash-less policy and its continued effort to get 80 percent of Nigerians financially literate and included.

Industry technocrats opine that the growth was indicative of efforts to deepen financial inclusion by CBN through banks, Fintech, and telecommunications companies, which were obviously yielding results.

The volume of transactions in April this year stood at 18.3 million, representing 157 per cent increase over 7.1 million recorded in the same period of 2020. Similarly, the NIBSS data showed that electronic payments through the various platforms made available by banks and facilitated by NIBSS sustained their gains in the period under review.

Specifically, the value of bills paid through the electronic channel rose to 186 billion in April, compared with 85 billion recorded in the same period last year, representing 118 per cent growth year-on-year.

According to the report, the April figure showed a slump from 212 billion e-bills payments recorded in March this year. E-Bills Pay is an account based, online real-time product that facilitates the payment of bills from an account. It ensures instant credit of payments and receipt of collections on behalf of Billers/ Merchant recruited on the platform.

Currently, the platform is used for payments such as utility bills, cable TV subscriptions, hotel and airline bookings, school fees, and airtime top-ups. According to the NIBSS data, it showed that greater number of Nigerians are now embracing payment of bills electronically as opposed to paying with cash.

Meanwhile, NIBSS, in its 2020 Instant Payments Report, attested to the rising preference of mobile by Nigerians for financial transactions. "On transaction channels, mobile payments remains the preferred channel with 43 per cent of total transactions, while USSD remains a close second with 35 per cent of transactions. These remain largely unchanged from 2019. This, the NIBSS report showed that 78 per cent of total transfer transactions were carried out using a mobile device.

The Report also added that mobile payments and USSD continued to experience steady growth, expanding by 84 per cent and 80 per cent respectively, year-on-year.

"With 49.5 per cent smartphone ownership and an estimated 97 million mobile internet users, there are strong indications that mobile and USSD payments will see significant growth in the short-medium term", the report noted, adding that data released earlier also indicated that there had been steady growth in the use of mobile for financial transactions in Nigeria.

According to its 2020 figure, a total of 3.05 trillion was transferred through mobile last year, hitting an all-time high, representing a whopping 268 per cent increase over N828 billion mobile deals recorded in 2019. While the volume of the mobile inter-scheme transactions also rose significantly in the year, from 41.2 million transactions recorded in the previous year, mobile deals rose to 132.9 million in 2020, representing 22.3 per cent increase, year-on-year ■

## “Naira 4 Dollar Scheme” Gets Extension

By: **Daba Olowodun**



**T**wo months after the introduction of the “Naira 4 Dollar Scheme” for Diaspora remittances, the Central Bank of Nigeria (CBN) has released a circular extending the scheme until further notice.

The extension of the scheme was due to the encouraging dollar inflow with the introduction of the scheme in keeping with the words of the CBN Governor, Godwin Emefiele, that the new scheme would enhance a transparent and more flexible remittance administration.

The Bank had in a circular released on March 5, 2021, introduced the scheme to encourage diaspora remittances through CBN-licensed International Money Transfer Operators (IMTOs). Under the scheme, recipients of international

money transfers were to receive N5 for every \$1 received through official channels.

According to the circular, “this incentive is to be paid to recipients whether they choose to collect the US Dollar as cash across the counter in a bank or transfer same into their domiciliary account. In effect, a typical recipient of diaspora remittances will at the point of collection, receive not only the USD sent from abroad but also the additional N5 per USD received”.

Mr. Emefiele further pledged that the CBN would strive to constantly improve its remittance infrastructure, ease the process of international money transfer and simplify the experience for senders and recipients ■

## CBN Unveils Shared Services Guidelines

By: **Louisa Okaria**

**T**he Central Bank of Nigeria (CBN) has released guidelines on shared services arrangements for banking groups in Nigeria. A circular signed by the Director, Financial Policy and Regulation Department, Dr. Kevin Amugo, stated that the absence of standards on shared services and transfer pricing arrangements in the

Nigerian banking industry was evidenced on the uneven management of shared services with the attendant concerns on governance, financial and tax management practices.

The Bank in response, issued an Exposure Draft on November 18, 2019 to streamline the activities of

institutions engaged in shared services and transfer pricing. The Exposure Draft also sought to harvest stakeholders' opinions on the abuses including the use of shared services arrangements as a tax shield.

The effective date for the full compliance with the provisions of the Guidelines is June 1, 2022. The guidelines also set out supervisory expectation in respect of shared services arrangements between a parent company and its subsidiary. It also seeks to ensure that the fees received or paid reflect the services rendered, considering the assets used and the risks assumed.

In addition, the guidelines will ensure that financial institutions comply with the extant transfer pricing regulation in Nigeria; and reduce operational cost of benefitting institutions.

The provisions of the guidelines are limited to merchant banks, financial holding companies, OFIs, payment services banks and other payment services licensed by the CBN; provided that the financial institution was either a parent company operating in Nigeria and licensed by the CBN or a subsidiary company licensed by the CBN and carrying on its operations in Nigeria.■

## CBN Issues New Framework for Non-Bank Acquiring

By: **Ademola Bakare**



**T**he Central Bank of Nigeria (CBN) on May 28, 2021, released a fresh Regulatory Framework for Non-Bank Acquiring to all deposit money banks, payment service providers and all financial institutions.

The Director, Payments System Management Department, Mr. Musa Jimoh, who issued, and signed the Circular, said the effort was in furtherance of the Bank's mandate to promote a sound financial system and facilitate the development of electronic payments service in Nigeria.

The Circular read: "The CBN, in furtherance of its mandate to promote a sound financial system and

facilitate the development of electronic payments system in Nigeria, hereby issues the Regulatory Framework for Non-Bank Acquiring in Nigeria".

The framework according to him 'sets out the rules for the operation of Non-Bank Merchant Acquiring in Nigeria as a regulated service and provides minimum standards and requirements for that operations of Non-Bank Acquiring in Nigeria, including the rights and obligations of the parties involved in the process.

Noting further, he said, the new framework compels Non-Bank Merchant Acquirers to meet the minimum standards of operations as approved by the CBN and guide the activities of the participants in the provision of Non-Bank Acquiring services in Nigeria. Thus, all stakeholders are required to ensure strict compliance with the framework and all other regulations, as the CBN continues for monitor developments and issue guidance as may be appropriate.

He also stressed that, the objectives of the Framework as prescribed by the Bank were to establish Non-Bank Acquiring as a regulated service in Nigeria; and provide minimum standards and requirements for the operations of Non-Bank Acquiring in Nigeria. The Framework, he continued, was to guide the activities of the Non-Bank Acquirer, Settlement Bank/Sponsor Bank, Card Schemes, Other Payment Schemes and Nigeria Central Switch (NCS).■



# FG Improves Quality of Nigerian Crops for Export

By: Kerma Mshelia

Photo credit: Nairametrics



The Federal Government, through the Central Bank of Nigeria (CBN), in partnership with the International Institute of Tropical Agriculture (IITA), other government agencies and private firms have taken steps to improve the quality of local crops produced for export.

This was stated in a communique issued at the end of a seminar organised by the Harvest Field Industries Limited and IITA in Abuja. The Seminar, with the theme “Scaling Solutions to Control Aflatoxin in Nigeria’s Crop Value Chain: The test results under the CBN Anchor Borrowers Programme 2020 Wet Season Project” was to discuss the aflatoxin levels in maize sampled nationwide under the CBN Anchor Borrowers Programme 2020 Wet Season Project.

The communique stated that the seminar adopted suitable technologies for the reduction of aflatoxin in crops, food, feed and livestock which was expected to help achieve zero rejection of commodities exported from Nigeria as required by global food quality standards.

The statement further noted that “Reduced aflatoxin prevalence will contribute tremendously towards achieving zero rejection of our export

commodities and ensure food safety in Nigeria.”

Participants at the workshop suggested that the inter-ministerial committee on aflatoxin regulation and enforcement of food safety laws in Nigeria be revived. They also called for the enactment of technical policy regulating the testing and enforcement of allowable aflatoxin limits in food and feed processing and distribution industries, among others.

The Federal Government had introduced various policies towards enhancing productivity in the agricultural sector leading to diversifying the economy and ensuring food security in the country.

Other participants at the Seminar included the Federal Ministry of Agriculture and Rural Development, the National Agency for Food and Drug Administration and Control, and the Standards Organisation of Nigeria (NAFDAC).

Also in attendance were the Federal Competition and Consumer Protection Commission, the Federal Ministry of Health, Value Seeds Limited, Maize Association of Nigeria, National Groundnut Producers Processors and Marketers Association of Nigeria, among others ■

# Micro-Insurance to Drive Financial Inclusion

By: **Daba Olowodun**



**M**icrofinance Banks (MFBs) have been underscored as veritable tools in the promotion of financial inclusion through micro-insurance.

Speaking at the 6th annual symposium of the Nigerian Microfinance Platform (NMP) the Deputy Governor, Financial System Stability, Mrs. Aishah Ahmad, stated that there was a need to strategically emphasize the importance of micro-insurance as a financial service.

The Deputy Governor, along with other experts in the financial sector called for better collaboration among microfinance banks (MFBs), concurring with the theme 'Expanding the Frontiers of Financial Inclusion: the Micro-insurance Option', and positing that the MFBs were in a unique position to extend the reach of financial inclusion.

Mrs. Ahmad, who was represented by a Deputy Director in the Other Financial Institutions' Supervision Department (OFISD), Mr. Idowu Akinlade, said that insurance as a financial service had been under-emphasised in the country for too long. She therefore challenged the microfinance operators to look into the shadowed aspects of

financial inclusion with the aim of harnessing them. She further encouraged MFBs to "exchange ideas with our counterparts from other countries, build regulator/operator capacity and tackle issues within the sector to enhance the provision and availability of affordable financial services in Nigeria."

Also speaking at the event, the Managing Director/Chief Executive, Nigeria Deposit Insurance Corporation (NDIC), Hassan Bello, highlighted some of the factors MFBs need to consider in order to render effective micro-insurance service.

The NDIC boss, who was represented by the Director, Special Insured Department, Joshua Etopidiok, stated that the MFBs had to design and implement strategies to address the trust quotient of the insurance industry.

He further stated that ease of purchase of micro-insurance services, customer service through digitisation and advocacy for micro-insurance were factors that could be harnessed in the exploration of micro-insurance as an option in expanding the frontiers of financial inclusion ■

## 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.





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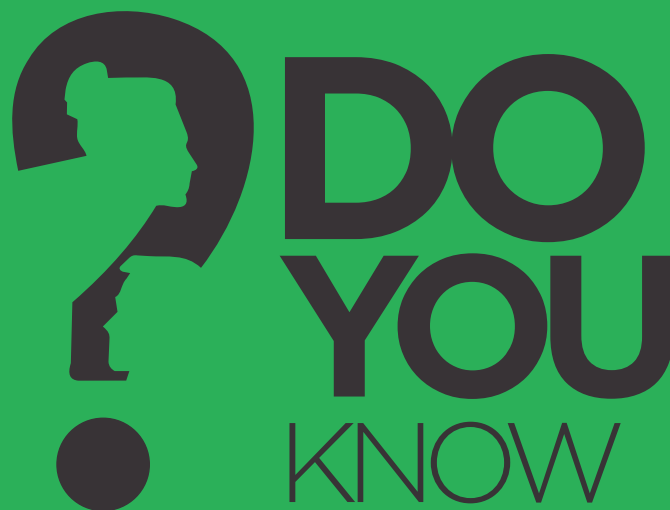
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**Central Bank of Nigeria**



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

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

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

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

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

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

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

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



Central Bank of Nigeria