



Central Bank of Nigeria

# CBN UPDATE

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## Cardoso Outlines Monetary Policy Outlook for 2024

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- Jimoh Tasks PSMD on Sustainable Service Delivery

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## Editor's Note

We welcome you, our esteemed readers, to the November 2023 edition of CBNUPDATE.

The Governor, Mr. Olayemi Cardoso was at the 58th Chartered Institute of Bankers of Nigeria (CIBN) annual dinner in Lagos. At the occasion, he unveiled the Bank's Monetary Policy Thrust and Economic Outlook for 2024. The Governor also disclosed plans to reform the nation's banking sector even as he said the financial sector has demonstrated resilience with key indicators of financial soundness, meeting regulatory benchmarks, after stress tests in the year under review.

Similarly, the Governor declared open the Bank's 2023 Executive Policy Seminar, where he asserted that fostering sustainable growth and price stability remains vital to Nigeria's long-term prosperity. Details are served inside this edition.

In a move that is expected to douse growing apprehension over the fate of the old and redesigned banknotes beyond December 31st, 2023, the Nigerian Supreme Court has ruled that both the new and old Naira currency notes will remain as legal tender until further notice.

Also in this edition, the Deputy Governor, in charge of the Financial Systems Stability Directorate, Mr. Philip Ikeazor has called for the implementation of a robust regulatory framework that would mitigate the risk posed by FinTechs across Africa.

In the same vein, the CBN, mindful of the sophistication and ever-evolving nature of the payments system, is harping on novel strategies that would be helpful in directing the Bank's efforts toward a better future of the payment landscape. The Director, Payments System Management Department (PSMD), Mr. Musa Jimoh gave this charge at the Department's 2023 retreat.

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

A handwritten signature in black ink, appearing to be 'Hakama Sidi Ali'.

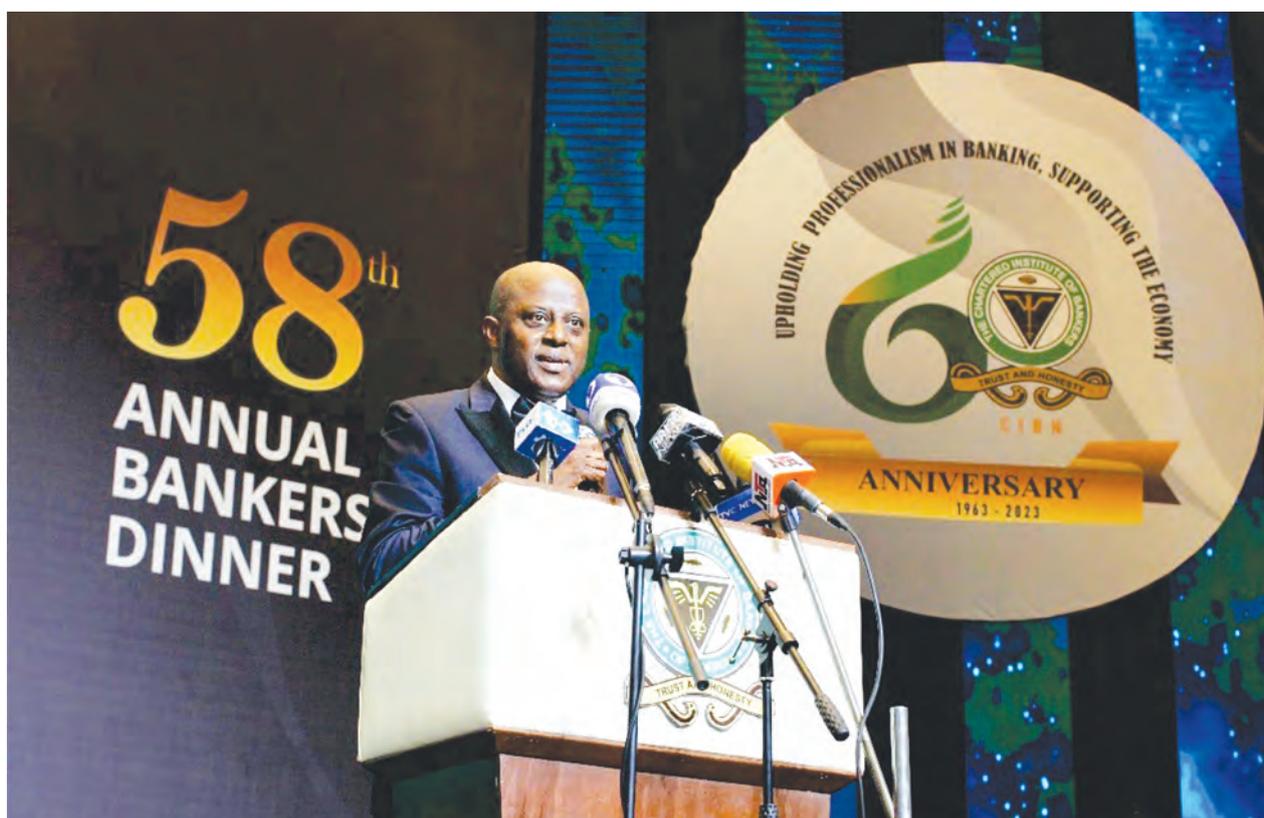
**Hakama Sidi Ali**  
Editor-in-Chief

# Cardoso Outlines Monetary Policy Outlook for 2024

...Assures Nigerians of Price, Exchange Rate Stability

...Bank adopts Inflation Targeting Framework

By: Olalekan Ajayi



The Governor, Central Bank of Nigeria, Mr. Olayemi Cardoso unveiling the Bank's Monetary Policy Thrust and Economic Outlook for 2024 during a keynote address at the 58th Annual Bankers' Dinner in Lagos.

**T**he Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, has outlined the policy direction of the Bank for 2024, with a pledge to prioritize price and exchange rate stability to promote sustainable economic growth, safeguarding the livelihoods of Nigerians.

Mr. Cardoso disclosed this in his keynote address at the 58th Annual Bankers' Dinner and Grand Finale of the 60th anniversary of the Chartered Institute of Bankers of Nigeria (CIBN), held at Eko Hotels & Suites, Victoria Island, Lagos, on Friday, November 24, 2023. While assessing the performance of the CBN in the past two months, he informed the audience that the new leadership of the Bank had critically reviewed the effectiveness of the Central Bank's monetary policy tools and had spent time fixing the transmission mechanism to ensure the

decisions of Monetary Policy Committee (MPC) meetings actually resulted in desired objectives.

According to him, there had been a dislocation of monetary transmission mechanism, for quite some time, which rendered the MPC meetings largely ineffective. Therefore, to address this challenge, he said the Central Bank of Nigeria was committed to achieving monetary and price stability.

"This is not just a technical objective, but it has real-life implications for the well-being of our citizens. Through targeted policies, transparent market operations, and coordination between monetary and fiscal authorities, we can ensure a more stable exchange rate, control inflation, and create an enabling environment for businesses and individuals to thrive," he added.

Speaking further on the exchange rate, he disclosed that he had held meetings with business owners engaged in international trade, who recounted the difficulties they experienced with the fluctuations in the exchange rate, which often led to uncertainties and unexpected costs. He stated that it was, therefore, imperative that the Bank provides transparency and creates a market environment that allows fair determination of exchange rates, ensuring stability for businesses and individuals alike.

As an adviser to the government, he reiterated that the CBN would be repositioned as a catalyst for economic stability and growth. He explained that instead of direct interventions, the Bank would collaborate with stakeholders and formulate policies that create an enabling environment for sustained economic growth and development.

“Our catalytic role will support increased investment and private sector participation in the economy, improve access to finance for MSMEs, and enhance financial services for the underbanked. This includes promoting specialized institutions and financial products to support emerging sectors, developing regulatory frameworks to unlock dormant capital in land and property holdings, facilitating accelerated access to consumer credit,

and expanding financial inclusion to reach the masses,” he added.

Mr. Cardoso explained that the CBN would work with experts to develop de-risking instruments that encourage private sector investment in key industry verticals such as: housing, textiles and clothing; food supply chain, healthcare, and educational supplies, which have a high potential for local inputs and value retention.

The CBN Governor said the Bank was conducting a comprehensive review of the licensing framework for payment services, adding that the CBN would engage in extensive consultations to develop a new regulatory and compliance framework suitable for the technology-driven payment services sector. He, therefore, charged banks to reassess the responsible banking framework to ensure that the requirements are effectively integrated into their strategies. He also disclosed that the CBN was enhancing its in-house capacity so that it could assist other banks that still have progress to make in implementing their sustainability principles.

Going forward, he said the new team at the CBN would tackle institutional deficiencies, restore corporate governance, strengthen regulations, and implement prudent policies. ■

## Embrace Alternative Modes of Payment - CBN

By: Pearl Ogbonna

The Central Bank of Nigeria (CBN) in its unwavering bid to promote sound financial system stability and restore confidence in the financial system has enjoined the public to embrace alternative modes of payment. This comes in the backdrop of reports of alleged scarcity of cash at banks, Automated Teller Machines (ATMs), Points of Sale (POS), and Bureaux de Change (BDCs) in some major cities across the country.

According to CBN UPDATE findings from the Bank, the seeming cash scarcity in some locations is due largely to high volume withdrawals from the CBN branches by Deposit Money Banks (DMBs) and panic withdrawals by customers from the ATMs.

Following these developments, the CBN has assured the public that there is sufficient stock of currency notes for economic activities in the country. Moreover, the CBN branches across the country are also working to ensure the seamless circulation of cash in their respective states of operation.

Considering the foregoing, members of the public are, therefore, advised to guard against panic withdrawals as there is sufficient stock to facilitate economic activities. Alternatively, the CBN has urged Nigerians to embrace alternative modes of payment, which would reduce pressure on using physical cash.

CBN UPDATE recalls that there are other alternative

payment systems to cash, such as Unstructured Supplementary Service Data (USSD), Automated Teller Machines (ATM) cards, Online banking, and eNaira. The CBN has constantly promoted and encouraged the adoption of technology for transactions which would ultimately reduce reliance on cash and support the digital economy. The eNaira for instance, is safe and secured with cryptographic techniques against counterfeiting, cloning, and other forms of attack. The eNaira also complements cash as a less costly, more efficient, generally accepted, safe and trusted means of payment.

In the same light of dispelling rumours and assuring the public, the CBN recently addressed a worrisome and mischievous wide circulation of a text message suggesting that the Bank plans to

redenominate the country's legal tender, the Naira, with effect from January 2024. This message is not only misleading but also done in bad faith as findings show that the authors of the message, in their mischief, modified text eked from an old policy move by a previous CBN Governor in 2007 to make it appear recent.

The Bank has once again assured that there is currently no plan to restructure and redenominate the Naira. Whilst the Bank may be considering reforms, such are subject to laid down procedures in line with the provisions of the CBN Act, 2007, the CBN will however not relent on its mandate to ensure a sound financial system in the nation as enshrined in the CBN Act, 2007. The public is hereby advised to ignore the news report, as it is speculative and calculated to cause panic in the polity. ■



Central Bank of Nigeria

## Economic Policy Directorate Seeks to Deepen Macroeconomic Research

By: Mukhtar Maigamo

In its continued efforts to deepen research on macroeconomic trends, the Economic Policy Directorate of the Central Bank of Nigeria (CBN) held a two-day seminar on the Dynamic Stochastic General Equilibrium Modelling (DSGE), at the Head Office's Auditorium, Abuja.

The Seminar, with the theme, "DSGE Modelling for

Resource-Rich Emerging Economies: The Nigerian Experience", was aimed at creating opportunities for discussion on research findings on current economic issues, using DSGE Modelling as the instrument for macroeconomic policy.

In his opening remarks, the Director, Statistics



Head, External Sector Division, Statistics Department of the CBN, Mr. Yakubu Bello, representing the Director, Statistics Department (CBN), Dr. Mohammed Tumala during the seminar held at the CBN Head Office, Abuja.

Department, Dr. Mohammed Tumala, welcomed participants to the much-anticipated seminar, noting that the area of macroeconomic analysis has been receiving growing importance for policy simulation, formulation and implementation.

He said the seminar in line with the growing relevance of DSGE modeling, will interrogate the procedures, materials, findings, and recommendations of the papers, as well as pave the way for deeper exploration of practical implementation of DSGE modeling for macroeconomic policy direction.

According to Dr. Tumala, the papers that would be

discussed in the seminar would be published in the Special Edition of the CBN Journal of Applied Statistics, (JAS) in honour of the past Director of the Research Department, Dr. Michael Adebisi, who served meritoriously on the Editorial Board of the Journal, as the inaugural member, and whose contributions to the success of the CBN-JAS was indelible.

Responding, the retired Director thanked the organizers of the seminar who painstakingly organized the event. He also thanked the Management of the Bank for honouring him with this great recognition, and for giving him the opportunity to serve on the Board to contribute to the JAS while he was a staff.

Some of the papers discussed at the Seminar were "Fiscal Policy in a DSGE Model of a Resource-Rich Emerging Economy: The Nigerian Experience", "External Vulnerability and Optimal Monetary Policy in Nigeria" and "Monetary Policy and Dynamics in Nigeria: A Bayesian DSGE Approach".

With the galaxy of intellectuals, cutting across the country and offshore, as discussants, papers presented were thoroughly brainstormed, and the DSGE model was ventilated, after which they brought about a fresh macroeconomic perspective.

## FinTechs: Ikeazor Calls for Robust Regulatory Framework

By: Khadeejah Bello



The Deputy Governor, Financial Systems Stability Directorate of the CBN, Mr. Philip Ikeazor

The Deputy Governor of the Central Bank of Nigeria (CBN) in charge of Financial Systems Stability Directorate, Mr. Philip Ikeazor has called for the implementation of a robust regulatory framework that would mitigate the risk posed by FinTechs.

He made the call while delivering a keynote address at the 2nd edition of the Community of African Banking Supervisors' (CABS) Fintech Forum which took place at the CBN International Institute, Maitama, Abuja from November 13 to 15, 2023.

Mr. Ikeazor, who was represented by the Director, Banking Supervision Department, Mr. Mustafa Haruna said it is necessary to implement a robust

regulatory framework to provide effective supervisory oversight over FinTechs' activities. He noted that regulators needed to broaden monitoring horizons, promote fair competition, ensure data privacy and consumer protection, as well as strong coordination and information sharing to facilitate supervision of FinTech activities.

The Deputy Governor further said that the overarching objective is to foster the orderly growth of the Fintech sub-sector to achieve its full potential as a channel for facilitating payments, promoting financial inclusion, and expanding the frontiers of financial services while minimizing risks to financial system stability.

In his concluding remarks, Mr. Ikeazor asserted that the FinTech ecosystem holds bright prospects for growing the economies of Africa in the foreseeable future. "Regardless of the current and expected challenges, the opportunities are limitless, and with appropriate market-friendly policies and regulatory framework, the associated risks of FinTech's activities will be greatly minimized," he said.

The Seminar, with the theme "Balancing Risk and Innovation in Financial Services: The Role of Regulatory and Supervisory Authorities", was attended by many FinTech regulators from across

Nigeria and other African countries. Also in attendance was the Chairperson of the Community of African Bank Supervisors (CABS), President, African FinTech Network, and Managing Directors of Banking Supervision & Regulation of CABS Member-Countries, Executive Secretary, AACB.

Some of the papers presented at the event were: "The Changing Financial Services Ecosystem and FinTechs" by Mr. Boye Ademola (Head of Digital Transformation); "Risk and Innovation in Financial Services" by Mr. Blaise Ijebor (Director, Risk Management Department CBN); "Partnership Between Incumbent Banks and FinTech- The Path to Market Deepening and Financial Inclusion" by Dr. Tomisin Fashina (Group Executive, Operations Technology, Ecobank Transnational); "Africa FinTech Network- Supporting the FinTech Ecosystem Development through Collaboration and Advocacy" by Dr. Patrick Conteh (CEO- Africa FinTech Network).

Highlights of the event was panel discussions on "Improving Supervisory Oversight- Leveraging Regtech and Suptech", "Fire Side Chat: AML/CFT Consideration for FinTech", and "Current and Emerging Technologies and the Future of Financial Services".

## Jimoh Tasks PSMD on Sustainable Service Delivery

By: Auwalu Alhaji

**T**he Director, Payments System Management Department (PSMD) of the Central Bank of Nigeria (CBN), Mr. Musa Jimoh, has charged staff of the Department to be proactive in their supervisory roles, in the face of a consistently evolving payments system.

The Director gave the charge on Monday, November 20, 2023, while declaring open the 2023 Retreat of the Payments System Management Department, with the theme: "The Future of Payments System: Opportunities, Threats and Propositions". While noting that payments had moved beyond the control of traditional monetary authorities, he urged the staff to use technology to

eliminate the threat to the ability to oversee payments and the enactment of economic policies. Mr. Jimoh, therefore, charged participants to come up with novel strategies that would be helpful in directing the Bank's efforts toward a better future of the payment landscape.

In her paper on the theme: "The Future of Payments System: Opportunities, Threat and Propositions," Managing Director, Etranzact, Niyi Toluwalope, who was presented by Abimbola Reis, Group Head, Etranzact, explained the future of Artificial Intelligence (AI) in the payment landscape, which will lead to changes in innovation with faster payments, that are easier and more convenient both on local



*The Director, Payments System Management Department (PSMD) of the CBN, Mr. Musa Jimoh at the Retreat.*

and global scale.

A highlight of the retreat was a panel discussion on “AI & Data Analytics in Payments: A Tool for Deepening Digital Payment” and “Enhancing Consumers’ Confidence: Role of User Experience”. The Director, Information Technology Department (ITD), Hajia Rakiya Mohammed chaired the first-panel session, which featured Kashifu Inuwa, Director, National Information Technology Development Agency (NITDA); Premier Oiwoh, Managing Director, Nigeria Interbank Settlement System (NIBSS) and Adedeji Oluwe, Trustee, Open Banking Nigeria.

The second-panel session was chaired by the Acting Director, of the Consumer Protection Department (CPD), Mr. Nuhu Othniel, with Babatunde Irukera, Executive Vice Chairman, Federal Competition and Consumer Protection Commission; Deremi Atanda, Managing Director, REMITA and Musy Mustapha, Chief Executive Office, Kuda Microfinance Bank as panellists.

Present at the retreat were players in the Payments System Industry, Departmental Directors, executives, and other staff of the Bank. ■



*Group photograph of participants at the Retreat.*

## Cardoso Hosts NES

By: Louisa Okaria



CBN Governor, Mr. Olayemi Cardoso

**A**s part of his ongoing engagement with strategic stakeholders of the Nigerian economy, the CBN Governor, Mr. Olayemi Cardoso recently received a delegation of the Nigeria Economic Society (NES) at the Bank's head office in Abuja.

The NES delegation was led by its President Professor Adeola Adenikinju. He lauded the Bank's

policy initiative and the decision made by the CBN to focus on its primary responsibility of ensuring monetary and price stability.

Prof. Adenikinju said that NES is committed to collaborating with the CBN to deliver a strong post-COVID-19 and post-oil Nigerian economy. He moved for an improved sphere of collaboration between NES and the Bank, emphasizing a desire to strengthen economic research and policy reform linkages.

In his response, Mr. Cardoso appreciated the NES Council members for the visit and appreciated their long-standing contributions to economic education in Nigeria. He also assured the society of the Bank's continued support in the economic development interest of Nigeria.

The Nigerian Economic Society (NES) was formed in 1957 by Nigerian Economists and allied social scientists to provide intellectual leadership in the process of understanding and managing economic, social, and political change in Nigeria.

## PSSD Pushes for Improved Compliance, Service Delivery

By: Titilayo Oluwasina

**T**he Procurement and Support Services Department (PSSD) of the Central Bank of Nigeria (CBN) has held its maiden edition of the Vendors' Engagement Seminar, in alignment with the Department's strategic objectives and commitment to excellent service delivery.

Declaring the seminar open, the Acting Director, Procurement and Support Services Department, Mr. Ibrahim Hassan, who was represented by Mr. Abayomi Folorunsho, reiterated the Bank's commitment to fostering a culture of continuous improvement across its processes.

He noted that the aim of the seminar was to provide a comprehensive understanding of the Bank's performance measurement framework and align all stakeholders to the metrics that drive the

Bank's performance evaluations ensuring seamless compliance.

He assured that the engagement would provide valuable insights and serve as a platform for collaboration, learning, and shared success. Speaking on "Vendor Performance Implementation and expectation of the Bank for Vendors", Dr. Vivienne Ogbonna also from the Procurement and Support Services Department said the Bank was resolute about ensuring that vendors consistently meet and exceed predefined standards and expectations to enhance operational efficiency, minimize risks, and ultimately achieve better value for money, in compliance with internal business rules and efficient service delivery.



*Group photograph of participants at the Seminar*

In her presentation on the “Application of the Third-party Risk Management Framework (TPRMF)”, Mrs. Oluchi Iyiegbu from the Risk Management Department, enumerated the risks associated with the engagement of third parties as compliance risks, operational risks, cyber-security risks, legal risks, and reputational risks.

Speaking on measures the Bank had taken to mitigate some of the risks associated with third-party collaborations, she highlighted some of the Bank's risk management requirements before engagements with vendors which include business continuity management and disaster recovery policies, operational competence, corporate experience, financial stability, processes and evidence of periodic background on its employees and information security framework ensuring confidentiality, integrity and availability.

Also delivering a presentation at the seminar, Dr. Florence George-Amiekumo from the Governors' Department, who spoke on “Code of Business Ethics and Compliance (COBEC)”, highlighted the 'PACE' principle for ethical Decision-making, (Paying attention to details, Acting Responsibly, Complying with CBN Values and ethical principles and Evaluating issues), even as she encouraged parties in business with the Bank to process their decisions using the principle.

Speaking further, she noted that all agents of the Bank and third parties were responsible for reading, understanding and complying with the Bank's ethical principles and policies.

In another presentation titled, “Effective Service

Level Agreements”, Mr. Hadi Jazuli from the Legal Services Department underscored the importance of Service Level Agreements, noting that they were crucial in ensuring that the Bank's expectations were met, and that mechanisms exist to address issues or discrepancies that arise during the partnership with service providers.

He disclosed that Service Level Agreements between the Bank and its service providers outlined critical aspects inclusive of service scope, quality standards, performance metrics, responsibilities of parties, penalties and remedies, securities and compliance, termination clause, confidentiality, and data protection.

In her closing remarks, Mrs. Comfort Akinbode, who represented the Director, Risk Management Department, Mr. Blaise Ijebor, appreciated all the participants for attending the event and for their feedback on the processes of the Bank.

She enjoined all participants to prioritize business continuity strategies that improve performance and are resilient to shocks, soliciting their collaboration and shared commitment to effective service delivery. Other presentations at the engagement seminar include “An Overview of Vendors' Performance Management in CBN” by Mr. Oluwatosin Ajikan of the Procurement and Support Services Department; “Business Continuity Management Awareness” by Shonibare Eytayosi of the Risk Management Department; “Information Security Management System (ISMS) Awareness” by Ogunmiluwa Ojo Taiwo from the Information Technology Department; and “Nigerian Sustainable Banking Principles” by Wakdok Samuel of the Governors' Department. ■

# Photo Speaks at the CIBN Dinner held in Lagos



L-R The Hon. Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, The Governor, Central Bank of Nigeria, Mr. Olayemi Cardoso and the Chairman, Senate Committee of Banking, Insurance and Other Financial Institutions, Senator Tokunbo Abiru.



CBN Governor, Mr. Olayemi Cardoso delivering a keynote address at the CIBN Annual Dinner



L - R: Wife of CIBN President, Ngozi Opara; President/Chairman of Council of the Chartered Institute of Bankers of Nigeria (CIBN), Deputy Governor, Economic Policy, Central Bank of Nigeria (CBN), Mr. Sani Abdullahi, Special Adviser, NEC and Climate Change, Mrs. Rukaiya El-Rufai, National Treasurer, CIBN, Mrs. Mojisola Bakare-Asieru; 1st Vice President, CIBN, Prof. Pius Deji Olanrewaju; Chairman, Senate Committee on Banking, Insurance and Other Financial Institutions, Senator Tokunbo Abiru; Deputy Governor, Financial System Stability, CBN, Mr. Philip Ikeazor and the Deputy Governor, Corporate Services, CBN, Dr. Bala Bello at the dinner in Lagos



L-R: CIBN President/Chairman of Council of the CIBN, Mr. Ken Opara and Governor, CBN Mr. Olayemi Cardoso



L - R: Wife of CIBN President, Ngozi Opara; President/Chairman of Council of the Chartered Institute of Bankers of Nigeria (CIBN), Dr. Ken Opara; Governor of the Central Bank of Nigeria (CBN), Olayemi Cardoso; National Treasurer, CIBN, Mrs. Mojisola Bakare-Asieru; Minister of Finance and Coordinating Minister for the Economy, Wale Edun.



L-R :MD/ CEO, Zenith Bank, Mr. Ebenezer Onyeagwu, MD/ CEO, Fidelity Bank, Mrs. Nneka Onyeali-Ikpe, President, CIBN, Dr. Ken Opara, CBN Governor, Mr. Olayemi Cardoso, Wife of the CBN Governor, Mrs. Abimbola Cardoso, a guest, Chairman, Senate Committee on Banking, Insurance and Other Financial Institutions, Senator Tokunbo Abiru and the Hon. Minister of Finance and Coordinating Minister of the Economy, Wale Edun.



Guests at the CIBN Annual Dinner

# Photo Speaks at the CIBN Dinner held in Lagos



*CBN Governor, Mr. Olayemi Cardoso*



*Dignitaries at the CIBN Annual Dinner*



*CBN Governor, Mr. Olayemi Cardoso, flanked by dignitaries at the 58th Annual Bankers' Dinner*



*Cross section of guests at the CIBN Annual Dinner*



*R-L: Deputy Governor, Operations, Central Bank of Nigeria (CBN), Ms. Emem Usoro, Deputy Governor, Corporate Services, CBN, Dr. Bala Bello, Deputy Governor, Financial Systems Stability, CBN, Mr. Philip Ikeazor, and a guest at the dinner held at Eko Hotels & Suites, Victoria Island, Lagos.*

# Old Bank Notes Remain Valid Beyond December 2023 – Supreme Court

By: Mohammed Haruna



In a move that is expected to douse growing apprehension over the fate of the old and redesigned banknotes beyond December 31st, 2023, the Nigerian Supreme Court has ruled that both the new and old versions of the Naira notes will remain as legal tender until further notice.

The Supreme Court, in the ruling, reviewed its earlier order that the old notes should cease being legal tender by the last day of December 2023.

A seven-member panel of justices comprising Helen Ogunwumiju, Uwani Aba-Aji, Tijani Abubakar, Ibrahim Saulawa, Emmanuel Agim and Adamu Jauro, led by Justice John Okoro revised the court's earlier statement terminating the legal tender status of the old banknotes by 31st December 2023.

In his ruling, Justice Okoro said that "the old versions of 200, 500, 1000 Naira currency notes shall continue to be legal tenders alongside the new or redesigned versions until the government decides to bring the circulation of the old versions

to an end after consultation with critical stakeholders and after putting all required structures in place."

This judicial review was based on an application by the Federal Government of Nigeria through a request by the Attorney General of the Federation (AGF) and Minister of Justice, Lateef Fagbemi (SAN). Following the Supreme Court's decision, the Central Bank of Nigeria (CBN) has issued a directive to all its branches to continue issuing and accepting all denominations of old and redesigned Naira notes to and from Deposit Money Banks, (DMBs).

The Acting Director of the Bank's Corporate Communications Department, Hakama Sidi Ali, further stated in a press statement that "Members of the public are enjoined to continue to accept all Naira notes, old or redesigned for their day-to-day transactions."

Sidi Ali also charged members of the public to handle the nation's currency with utmost care to safeguard and protect their lifecycle and to embrace alternative modes of payment.

# Sustainable Economic Growth, Key to Nigeria's Prosperity – Cardoso

By: Kerma Mshelia



*CBN Governor, Mr. Olayemi Cardoso at the Executive Policy Seminar held at Transcorp Hilton, Abuja*

**T**he Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso has said that fostering sustainable economic growth and maintaining price stability remains pivotal to Nigeria's long-term prosperity.

Mr. Cardoso stated this on Wednesday, November 1, 2023, while declaring open the 2023 Executive Policy Seminar with the theme: Coordination of Monetary and Fiscal Policy for Growth under an Inflationary Environment at Transcorp Hilton, Abuja. He noted that a monetary-fiscal policy coordination in an inflationary environment should be viewed as an appropriate strategy to undertake.

While noting that fiscal-monetary policy misalignment generated sub-optimal outcomes in economies, he said through monetary and fiscal cooperation, the Bank can better navigate the

complexities of the current economic environment and enhance its ability to find sustainable solutions.

He, therefore, charged participants to come up with novel strategies for fiscal -monetary policy coordination to ameliorate the current macroeconomic challenges.

In his remark, the Deputy Governor, Economic Policy, Mr. Muhammad Abdullahi said the theme of the Seminar was apt considering that macroeconomic policy must leverage a wide set of instruments including, partnerships and policy coherence to achieve the shared goal of economic prosperity.

Mr. Abdullahi further said that with effective coordination, it was possible to generate optimal policy mixes that foster the realisation of targets around inflation, growth and employment with

minimal tradeoffs and unintended adverse consequences.

Welcoming participants, the Director, Research Department, Dr. Omolara Duke noted that the Executive Policy Seminar served as a platform for staff in the executive cadre of the Bank to engage with eminent resource persons and brainstorm on contemporary issues confronting the Nigerian economy, with a view to proffering workable and implementable policy options for the Bank and the Federal Government towards promoting economic growth and development.

Dr. Duke, therefore, urged participants to make constructive contributions as the outcomes are intended to enhance the capacity of policy makers.

A highlight of the Seminar was a policy dialogue session on Coordination of Monetary and Fiscal Policy for Growth under an Inflationary Environment.

The Deputy Governor, Corporate Services, Dr. Bala Bello and his counterpart in the Operations Directorate, Ms. Emem Usoro chaired sessions at the seminar, which was attended by Departmental Directors and executives from across the Bank.

Papers presented at the Seminar were: "Fiscal and Monetary Policy Interaction: Theoretical

underpinnings and jurisdictional Experiences," by Professor Michael Obadan; "Monetary and Fiscal Policy Coordination in Nigeria: Strengthening Institutional Frameworks," by Professor Hassan Oaikhenan; "Mitigating the Inflationary Effect of Fuel Subsidy Removal in Nigeria: Policy Options," by Professor Adeola Adenikinju; "Rethinking Monetary and Fiscal Policy Mix for Macroeconomic Stability in Nigeria," by Professor John Ifediora; "Effective Communication of Fiscal and Monetary Policy to Drive Price Expectations in the Nigerian Economy," by Professor Bright Eregha; and "Inflation-Growth Trade-off in Nigeria: The Role of Policy Coordination," by Professor Bassey Udah.

Others include, "Market Determined Exchange Rate Policy: Implications for Growth and Price Stability," by Professor Sanusi Rafindadi; "Alternatives to Ways and Means Financing the Government to Improve the Efficacy of Monetary Policy Transmission," by Professor Joseph Nnanna (Jnr); "Containing the Open Buy Back Rate within the Asymmetric Corridor – An Evaluation of Liquidity Management in Nigeria," by Dr. Angela Sere-Ejembi; "Tax Reforms: Implication for Growth and Price Stability," by Mr. Adewale Ajayi and "Monetary and Fiscal Policy Coordination: Implications for Businesses in Nigeria," by Dr. Ayoola Oduntan and Mr. Tosin Eniolorunda. ■



*Cross section of participants at the Seminar*

## GLOBAL TIT BITS

## Climate Change: AfDB Establishes Support

By: Tina John



**T**he African Development Bank Climate Fund (AFDB) has pledged to support gender-affirmative climate change projects in Africa.

This concessional loan from AFDB comes on top of a € 55 million loan from the African Development Bank, approved in July 2023. Morocco, Safi, and El Jadida, on the Atlantic coast of the country, have benefited from the production of portable water for 1.5 million people. This happened when Morocco faced extreme water scarcity and was ranked 27th by the World Resource Institute, among countries most at risk of chronic water shortages. Women and young girls usually benefit from improved time management and health.

The bank is co-financing the projects and supporting countries. It is also a joint effort of the bank and Canada aimed at extending concessional loans to eligible climate change projects in Africa. To date, AFDB has approved funding for two other public sector climate-change-related projects. The first is a concessional loan to increase and reinforce the agricultural, silvicultural, and pastoral production and value chains in Senegal while disseminating innovative good practices of adaptation for the project beneficiaries.

The second loan is to Nigeria to support socio-economic development and poverty reduction in the cities of Umuahia and Aba, through the construction of climate-resilient urban infrastructure systems. AFDB is proving to be an extremely efficient and effective facility to deliver climate adaptation benefits at scale.

CBN UPDATE recalls that the African Development Bank Climate Fund (AFDB) was established in 2021 as a transformative partnership between Canada and the African Development Bank.

## World Bank, Others Strategize for Improved Development

By: Ify Nwankwo



by.world

### THE WORLD BANK

**I**n its efforts to scale up investments in various areas of development, especially in the areas of climate change, the World Bank and its fellow multilateral institutions have begun a cash mobilization drive.

The cash call of about \$100 billion needed by the Washington-based lender and other multilateral development banks was said to be enough to provide valuable geopolitical clout and will help in the fight against climate change.

According to the report from Reuters, the first step is “to sweat their existing balance sheets harder. But eventually, shareholders, including the United States, will have to overcome domestic political hurdles to put up \$100 billion of extra capital.”

It further added that “though the figures looked daunting, the World Bank and its regional peers, such as the African Development Bank and the Asian

Development Bank, are embarking on a strategic financial initiative to address the pressing challenges of our time and are well placed to help developing countries create strategies to develop in a green way. Geopolitical tensions are another reason to squeeze more out of the MDBs. Rich countries, which collectively control most of these institutions, can use their financial resources to compete with China when wooing developing “swing states”.

In addition, the World Bank stated that developing nations will need to invest an extra \$3 trillion a year by 2030 to combat climate change and poverty. The development institution also said that great strides will be made with quality education and accessibility to good health care, as contained in a recent report commissioned by the Group of 20 large economies.

The report, however said that to make this scaling

up achievable, developing countries themselves would have to provide two-thirds of the funds, while international private investors could put up another \$500 billion, and Reich countries' own development institutions could supply yet another chunk.

It further stated that the MDBs can stretch their existing capital even while protecting their top-notch AAA credit ratings. An earlier G20 report published last year advocated precisely this – and the institutions are already working on some of the ideas.

The World Bank, according to the report, has already cut its minimum equity contribution from 20 per cent to 19 per cent, while also planning to issue hybrid capital to shareholders such as the German state.

However, rich countries would have to invest more resources to achieve the targeted objectives of helping African countries to fight environmental issues ■

## IMF Lists Structural Reforms for Global Economy

By: Blessing Uzoagbado



logowik.com/

**T**he International Monetary Fund (IMF) has projected that the majority of the Group of Twenty economies (G20) would in the days ahead tighten monetary policy to keep inflation under control.

The IMF disclosed this in its recent weekly publication chart where it explained that if inflation remains persistently high, central banks will need to maintain higher interest rates.

The Fund, however encouraged governments to consolidate their finances to rebuild buffers and sustainable debt levels as they work towards cutting costs and boosting revenues in the next few years.

CBN UPDATE findings show that amid monetary and fiscal tightening, the IMF is advocating that both advanced and emerging economies consider structural reforms that will make product and labour markets more efficient to support economic growth. The International Financial Institution also noted that exact recommendations will differ by country, but there will be significant potential benefits of so-called first-generation reforms in emerging markets and developing economies that will have beneficial spillovers on advanced economies.

CBN UPDATE also gathered that the G20 report follows the latest IMF World Economic Outlook which forecast slow growth from 3.5 per cent in 2022 to 3 per cent in 2023 and 2.9 per cent in 2024. The weak growth outlook amid heightened uncertainty, elevated global inflation, and limited fiscal space provides an uphill task for policymakers ■

# IMF Publishes CBDC Virtual Handbook

By: Ogochukwu Ikeagwuonu

The Managing Director of the International Monetary Fund (IMF), Kristalina Georgieva, has urged countries to make a more positive push to develop Central Bank Digital Currencies (CBDC). She made this remark at the Singapore FinTech Festival, as the IMF published the first virtual handbook on CBDCs.

The CBDC Virtual Handbook aims to collect and share knowledge, lessons, empirical findings, and frameworks to address the most frequently asked questions on CBDCs. It was also designed to help countries with the design and set-up process to ensure that the new technology was operating seamlessly.

The IMF has said that approximately 60 per cent of countries in the world were exploring CBDCs. Georgieva stressed the need to offer a little more guidance not to crowd out or disrupt the innovation but to act as a catalyst to ensure safety

and efficiency in the technology.

The IMF Chief further stated that with technology advancing so rapidly, countries needed to advance ahead with development to avoid getting caught out in the future. She asserted that CBDCs would offer a safe and low-cost alternative to physical cash, which would in turn improve financial inclusion.

She reiterated the institution's commitment to ensuring a periodic update and evolving news on the regulations and guide to digital financial developments.

CBN UPDATE recalls that Nigeria launched its CBDC otherwise known as the eNaira in October 2021. Over 100 countries were actively engaged in CBDC research as of June 2023 with eleven countries having launched their CBDCs, and 21 implementing pilot programmes on them as of October 2023. ■



**eNaira**  
Same Naira. More Possibilities.

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[www.cbn.gov.ng](http://www.cbn.gov.ng)

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Contact your Financial Institution on your complaint and obtain a tracking number

[www.cbn.gov.ng](http://www.cbn.gov.ng)

### Step 2: Contact our Consumer Protection Department



If your Financial Institution fails to engage you and resolve your complaint within 2 weeks of lodgment of your complaint, escalate to the Consumer Protection Department of the Central Bank of Nigeria via email or letter referencing your tracking number.

[www.cbn.gov.ng](http://www.cbn.gov.ng)

Your letter/email should be clear and concise to avoid ambiguity, and should contain among other things the following:

- Name, Address, Contact Phone Number and Email
- Name of your Financial Institution
- Location of Complaint

Your letter/email should be forwarded through any of the following channels:

**Email:** [cpd@cbn.gov.ng](mailto:cpd@cbn.gov.ng) or [contactcentre@cbn.gov.ng](mailto:contactcentre@cbn.gov.ng)

**Written Letter:** The Director,  
Consumer Protection Department,  
Central Bank of Nigeria,  
Central Business District,  
Abuja  
P.M.B 0187

You can submit your letter at CBN Head Office OR any of the CBN Branches Nationwide.



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# 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/>



Central Bank of Nigeria

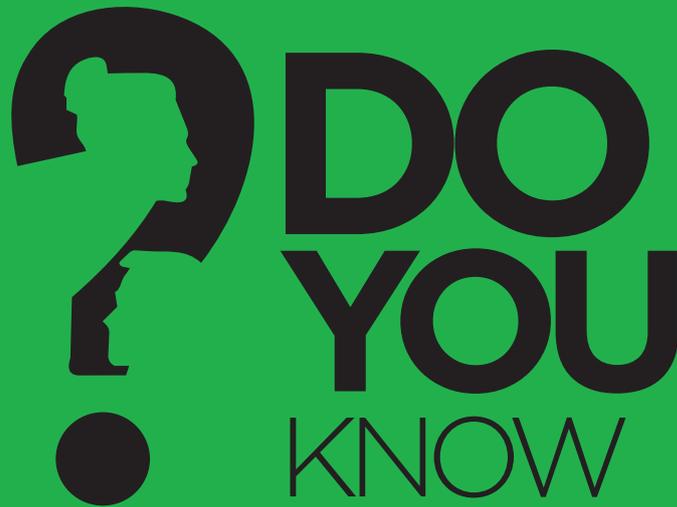
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### CBN SabiMONI Courses

**1. National Peer Group Educator Programme (NAPGEP):** This programme leverages on the platform of the National Youth Services Corps (NYSC) to train selected Volunteer Corps Members (VCMs) on Financial Literacy in order to deliver financial education in rural communities and environs during their Community Development Service (CDS).

**2. Certified Financial Literacy Trainer (CFLT):** This programme is for individuals who are interested in becoming Certified Financial Literacy Trainers. A trainer certificate is given to an individual who has taken all the Financial Literacy Modules and Learning Methodology on the SabiMONI platform, obtained a mark of 60% and undergone an assessment session (physical/virtual) to demonstrate that he or she can teach and transfer the knowledge to others.

**3. Shared Agent Network Expansion Facility (SANEF):** The SANEF training aims to equip its Agents with basic financial literacy knowledge to better serve their clients, improve their businesses and their level of financial literacy with the goal of promoting the uptake of financial services, especially at the grassroots.

**For more information, contact SabiMONI at [contact@sabimoni.org.ng](mailto:contact@sabimoni.org.ng) or at [support@sabimoni.org.ng](mailto:support@sabimoni.org.ng)**

