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IFC and the Central Bank of Nigeria Partner to Boost Local Currency Financing in Nigeria

Washington D.C., USA, October 28, 2024—IFC, a member of the World Bank Group, and the Central Bank of Nigeria (CBN) have signed an agreement to increase local currency financing to enable private businesses in Nigeria to grow and thrive.

The partnership will allow IFC to manage currency risks and increase its investment in Nigerian naira across priority sectors of the economy, including agriculture, housing, infrastructure, energy, small and medium enterprises and the creative and youth economy.

IFC aims to significantly scale up its financing of critical sectors in Nigeria, with a goal of providing more than $1 billion in the coming years. Many of these sectors require local currency financing, and IFC's partnership with the CBN is a key tool in expanding access.

"This pioneering initiative between the IFC and CBN will unlock much-needed long-term local currency financing for private businesses in Nigeria at economically viable rates," stated Governor Yemi Cardoso of the Central Bank of Nigeria. "This collaboration marks significant progress in the CBN's commitment to delivering innovative development initiatives through reputable third-party service providers, moving beyond traditional intervention programs. It will serve as a catalyst for economic growth and advance the Federal Government's agenda for economic diversification."

"Expanding access to affordable local currency financing for small businesses in Nigeria is essential for IFC to address the increasing demand for diverse funding options and to better manage currency risk," said Makhtar Diop, IFC Managing Director. "Our partnership with the Central Bank of Nigeria will enhance lending in Nigerian naira, fostering economic growth and creating jobs across the country."

With an active portfolio of investments in Nigeria of up to $2.13 billion—the second highest in Africa—local currency financing is a key priority for IFC.

IFC will continue to leverage innovative financial instruments and strengthen partnerships to meet the growing demand for more local currency financing in emerging markets.

About the Central Bank of Nigeria
The Central Bank of Nigeria (CBN) serves as the country's sole monetary authority, tasked with regulating and overseeing Nigeria's monetary and financial systems. Established by an Act of Parliament, the CBN's mandate includes ensuring monetary and price stability, issuing legal tender, maintaining external reserves to protect the international value of the naira, promoting a sound financial system, and acting as banker and economic advisor to the Federal Government of Nigeria. For more information, visit www.cbn.gov.ng

About IFC
IFC — a member of the World Bank Group — is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2024, IFC committed a record $56 billion to private companies and financial institutions in developing countries, leveraging private sector solutions and mobilizing private capital to create a world free of poverty on a livable planet. For more information, visit www.ifc.org.

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