



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative


FINANCE AND INVESTMENT COMPENDIUM

FEED THE FUTURE NIGERIA AGRIBUSINESS INVESTMENT ACTIVITY

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Implemented by Cultivating New Frontiers in Agriculture (CNFA)





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Finance and Investment Compendium

Introduction

Low Interest Funds (Intervention Funds)

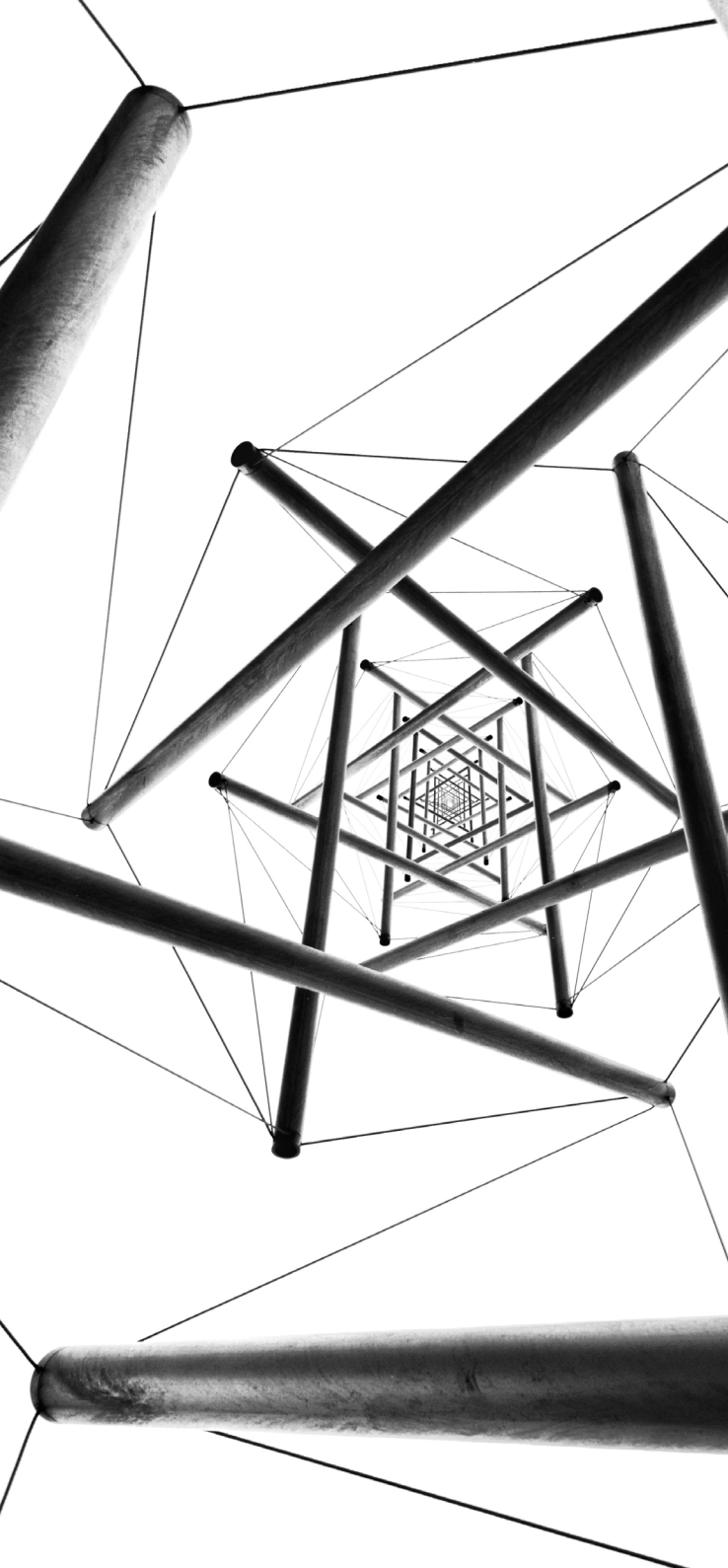
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Introduction

Since it launched in December 2018, the five-year USAID Feed the Future Nigeria Agribusiness Investment Activity has been working to strengthen the enabling environment for agribusiness finance and investment. In line with ongoing Government of Nigeria initiatives and commitments to growing the non-oil economy, these efforts will increase the depth, breadth, dynamism, and competitiveness of Nigeria's agribusiness sector.

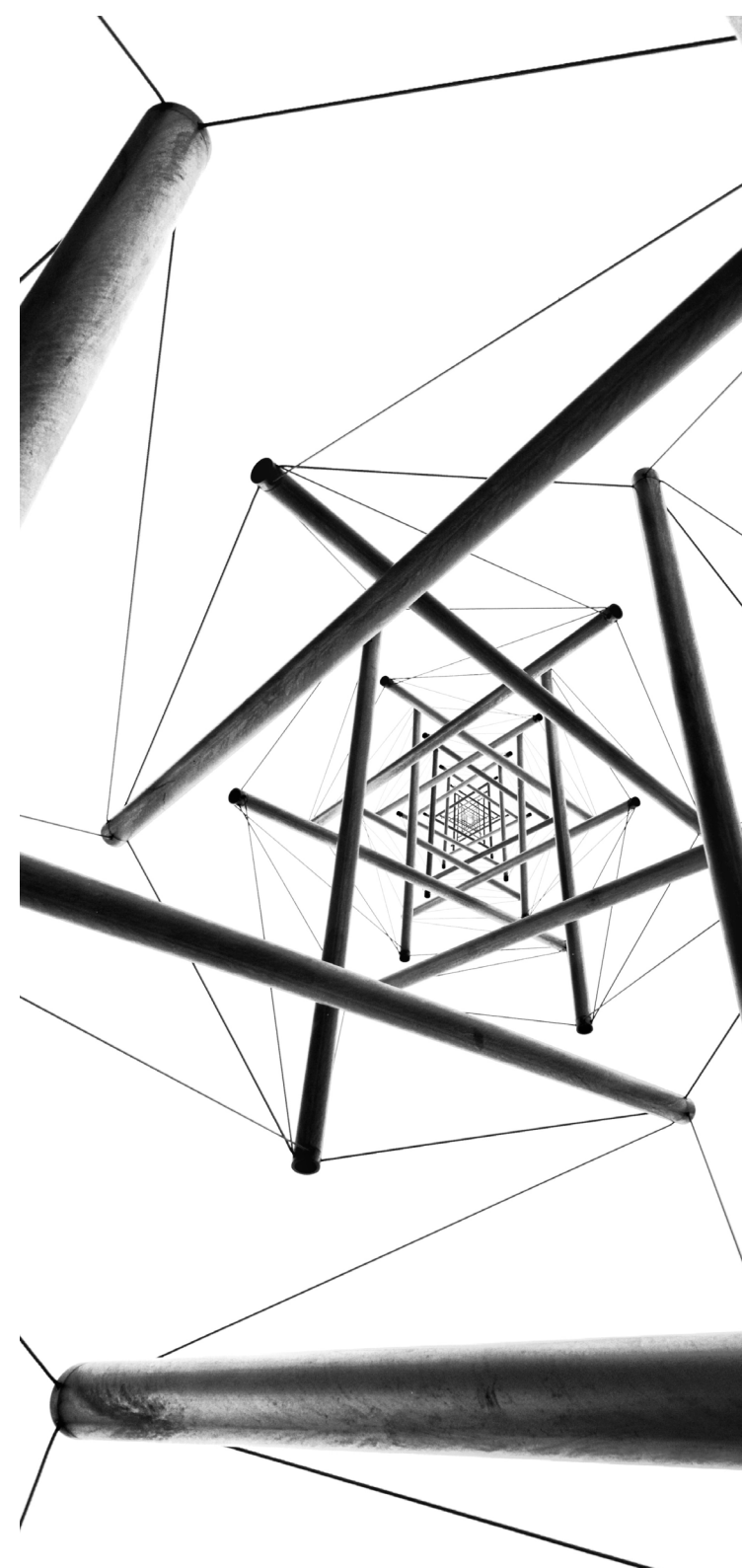
The Activity delivers this effort through four interrelated workstreams: engagement with policy makers, regulators, and industry actors to enhance conditions for fostering sustainable agriculture sector growth; broadening access to finance for agribusinesses; promoting and facilitating investment opportunities for agribusinesses to expand and scale up operations, and sustainably enhancing the performance of agribusiness micro, small and medium size enterprises (MSMEs). Through its work, the Activity helps create sustainable and commercially rewarding connections between thousands of market actors, from smallholder producer organizations to MSMEs and high-performing commercial actors, in the aquaculture, cowpea, maize, rice, and soybean value chains.

The purpose of this Finance and Investment Compendium is to inform agribusinesses about the expanding range of financing opportunities available to them. Agribusinesses that are informed about available financing choices will be better able to make optimal decisions as they pursue their business ambitions. It is our expectation that this compendium will be a useful guide for actors of all sizes and at all levels across the food and agro-commodity value chains, from producers to aggregators, processors, and distributors.

More detailed information on specific financing schemes is available from financial institutions, providers and online. This compendium does not show exhaustive detail and cannot be used as the only point of reference for making financing decisions. It is intended that this compendium should be used as a quick reference guide, sharing summary information on the benefits, requirements, and costs of different schemes. The compendium also lists where interested businesses can find further information and guidance.

By assembling a range of agricultural intervention funds, guarantee and grant schemes available to agribusiness in a consolidated document, this compendium makes it easier for readers to compare alternatives and to take advantage of opportunities that best fit the circumstances of their business.

There is a bright future ahead for agriculture in Nigeria. The USAID Feed the Future Nigeria Agribusiness Investment Activity is excited to be able to support your ambitions in the sector with this compendium highlighting some of the growing range of financing options available for agribusinesses in the country.



The background of the slide is an abstract, vibrant composition of overlapping, wavy bands in shades of blue, yellow, and orange. The bands are semi-transparent, creating a layered effect. Scattered throughout the image are numerous small, clear water droplets of varying sizes, some of which are in sharp focus, reflecting light and adding a sense of depth and texture. The overall aesthetic is clean, modern, and visually appealing.

Intervention Funds

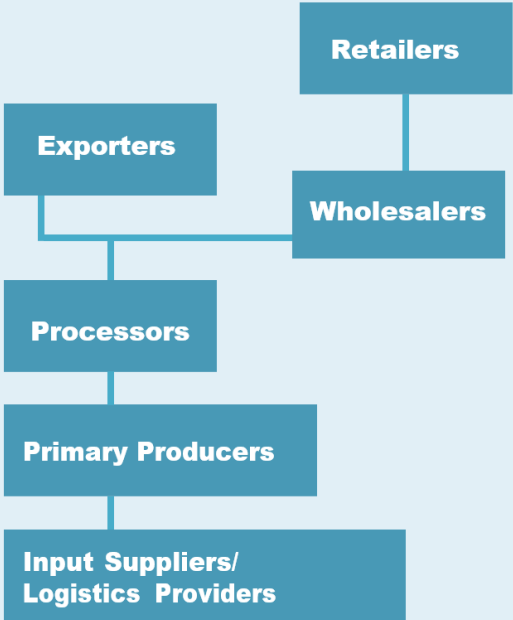
Anchor Borrowers Program (ABP)

In the face of unpredictable crude oil prices and their resultant effect on national revenue, boosting agricultural production and non-oil exports has become a key priority for the Nigerian government. The Anchor Borrowers Program is an intervention fund launched in November 2015 by the Federal Government of Nigeria to link smallholder farmers of key agricultural commodities with anchor companies involved in the processing of those key commodities. The fund, which is being drawn from the N220billion Micro Small and Medium Enterprises Development Fund (MSMEDF), evolved from consultations with stakeholders including the Federal Ministry of Agriculture & Rural Development, state governors, millers of agricultural produce, and smallholder farmers. The program provides farm inputs in-kind and in-cash to smallholder farmers and has a 9% interest rate. Maximum loan amounts are determined based on consultations with stakeholders.

Financing Activities Covered by ABP	Eligible PFIs	Categorization and Eligible Borrowers Under ABP	Loan Limit	Interest Rate	Tenor	Collateral	Required Documentation
The ABP provides farm inputs in-kind and in-cash (for farm labor) to smallholder farmers to boost production of select food commodities, stabilize inputs supply to agro-processors, and address the country's negative balance of payments on food.	The funds are being disbursed through Deposit Money Banks (DMBs), Development Financial Institutions (DFIs), and Microfinance Banks (MFBs).	Eligible borrowers include smallholder farmers engaged in the production of identified commodities across the country. The Farmers should be in groups/ cooperative(s) of between 5 and 20 for ease of administration.	Financing amount for each smallholder farmer is based on the economics of production agreed with stakeholders.	The PFIs shall access the loans at 2% from the CBN and finance at a maximum of 9% per annum (all inclusive).	The tenor of financing under the ABP shall be the gestation period of the identified commodities or as agreed with stakeholders not exceeding 60 months.	The Nigerian Farmers Group (NFG- CS) undertakes to provide security for members who qualify for the Program. NFG-CS Lands will be used as collateral for accessing the Funds by Qualified members.	Intending Beneficiary must be a fully registered member of a Cooperative and must maintain an FCMB account with at least a balance of N2,000. Intending Beneficiary must also sign an undertaking to have a lien placed on their account if they qualify for the program. The lien will limit the account holder from withdrawing funds until the funds provided by ABP are used for their intended purpose.

Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS)

The Agri-Business/Small and Medium Enterprises Investment Scheme was created as a voluntary initiative of the Bankers' Committee in 2017, to support the Federal Government's efforts and policy measures towards the promotion of agricultural businesses as well as small and medium enterprises (SMEs) with the aim of driving sustainable economic development and creating employment. The fund has a financing limit of up to N10million per application and a 5% interest rate per annum.

Financing Activity Covered by AGSMEIS	Categorization and Eligible Borrowers	How It Works
<p>Agricultural investments, which include production, storage, processing, and logistics, are covered by this scheme. All Value Chain Players that fall into the Flowchart below are also included:</p>  <pre> graph TD Exporters[Exporters] --- Wholesalers[Wholesalers] Wholesalers --- Retailers[Retailers] Wholesalers --- Processors[Processors] Processors --- PrimaryProducers[Primary Producers] PrimaryProducers --- InputSuppliers[Input Suppliers/Logistics Providers] </pre>	<p>Practicing individual farmers, registered cooperative societies and SMEs with identifiable, qualified & viable projects along the agric value chain are eligible borrowers. For the purpose of this scheme, an SME is defined as any enterprise that meets at least 2 of the following criteria:</p> <ul style="list-style-type: none"> • Sales turnover not exceeding N4.5billion. • Total assets not exceeding N4.5billion. • Number of tax paying employees not more than 250. <p>Eligible PFIs The loan is currently accessible through any of these PFIs:</p> <ul style="list-style-type: none"> • Bank of Agriculture (BOA). <p>Required Documentation</p> <ul style="list-style-type: none"> • Completed application form. • Bank verification number. • Evidence of registration of business name. • Letter of introduction from community leader. • Certificate of training from Entrepreneurship Development Institute. • Tax Identification Number (TIN) or Tax Clearance Certificate (TCC). <p>Tenor</p> <ul style="list-style-type: none"> • 10 years (max) including any moratorium. <p>Collateral/Equity Contribution</p> <ul style="list-style-type: none"> • In line with the lender's policies on equity contribution. No collateral required. <p>Interest Rate</p> <ul style="list-style-type: none"> • 9% max (all in). 	<p>Step 1: Get Trained Attend a compulsory training with a CBN certified Entrepreneurship Development Center (EDC).</p> <p>Step 2: Apply for Loan The Entrepreneurship Development Institute guides and the loan.</p> <p>Step 3: Receive Funds Loans are paid into the account of beneficiaries. Unqualified candidates are given feedback.</p> <p>Step 4: Get Business Support Services The Entrepreneurship Development Institute assists you to implement a business plan and provides business support services commercially.</p> <p>Step 5: Make Sales Sell products and services to pay back loan and make profit.</p> <p>Step 6: Repay Loan Run your business, keep proper records, and monitor sales and expenses to maximize profit and pay back the loan.</p>

Commercial Agricultural Credit Scheme (CACs)

The Central Bank of Nigeria established CACS to promote commercial agricultural enterprises in Nigeria. This fund, which was created to complement other special initiatives of the Central Bank of Nigeria in providing concessionary funding for agriculture, is a subcomponent of the Nigeria Commercial Agriculture Development Program (CADP). The N200billion scheme is being financed by the Debt Management Office (DMO) and is available to corporate and large-scale commercial farms and medium scale commercial farms/agro-enterprises, given a 9% annual interest rate.

Financing Activities Covered by CACs	Eligible PFIs	Categorization and Eligible Borrowers Under CACs	Loan Limit	Interest Rate	Tenor	Collateral	Required Documentation
<p>Key Agricultural commodities to be covered under the Scheme are:</p> <p>Production</p> <ul style="list-style-type: none"> • Cash Crops: cotton, oil palm, fruit trees, rubber, sugar cane, jatropha curcas, and cocoa, etc. • Food Crops: rice, wheat, cassava, maize, soya, beans, millet, tomatoes, and vegetables, etc. • Poultry: broilers, hatchery, layers, turkey etc. livestock: meat, dairy, and piggery. • Aquaculture: fingerlings and catfish. <p>Processing</p> <ul style="list-style-type: none"> • Feed mill development, fruits, vegetables, meat, and other food processing (i.e. threshing, pulverization and other forms of transmutation for value addition.) <p>Storage</p> <ul style="list-style-type: none"> • Commodities, agro-chemicals, finished products, silos, and warehousing. <p>Farm Input Supplies</p> <ul style="list-style-type: none"> • Fertilizers, seeds, seedlings, breeder stock, docs, feeds, farm equipment's & machineries, haulage and irrigation items 	<p>Deposit Money Banks</p> <p>Non-Interest Banks</p>	<p>This is subcategorized into:</p> <ul style="list-style-type: none"> • Corporate and Large-Scale Commercial Farmers. • Medium-Scale Commercial Farmers. 	<p>Financing amount for each farmer is based on the economics of production agreed with stakeholders.</p>	<p>Interest on loan shall not exceed 9.0% per annum inclusive of all charges.</p>	<p>In line with project transaction and cash conversion cycle.</p>	<p>In line with lender's credit policy, such as:</p> <ul style="list-style-type: none"> • Legal mortgage (in perfection state without recourse to customer) on land/other properties on which the borrower holds legal transferable interest. • Legal ownership of the items to be financed. • Credit bond issued by insurance companies or related parties, an off-takers surety, life insurance policy, a promissory note or other negotiable security, credit collateral or guarantee. • All asset debentures over the enterprise fixed and floating assets. • Warehousing. • Stocks and shares. 	<p>In line with lender's requirements, such as:</p> <ul style="list-style-type: none"> • Applicant's formal letter stating amount required, utilization plan, tenor and repayment plan. • Clear feasibility study/business plan with cash flow projection and the underlying assumptions. • Board/associations resolution authorizing the transaction (where applicable). • Audited accounts or statement of affairs (where applicable).

Micro, Small and Medium Enterprises Development Fund (MSMEDF)

The Central Bank of Nigeria launched the MSMEDF in August 2013 to channel low return funds to the MSME sub-sector of the Nigerian economy. The MSMEDF has several components including the wholesale component, the commercial component, the developmental component, and the grant component. The fund, which took off with a seed capital of N220billion, targets minority groups like women, who will get up to 60% of the commercial fund and persons living with disabilities will get 2% of the wholesale component of the fund. The interest charges, which are regularly subject to review by the steering committee of the fund, is currently at 9% per annum.

Financing Activities Covered By MSMEDF	Eligible PFIs	Categorization and Eligible Borrowers Under MSMEDF	Loan Limit	Interest Rate	Tenor	Collateral	Required Documentation
Agricultural value chain activities within the MSME sector.	Commodities, Microfinance Banks, Non-Governmental Organizations, Microfinance Institutions (NGO-MFIs) Financial Cooperatives, Finance Companies, Development Finance Institutions, Deposit Money Banks	MSMEs that partake in agricultural value chain activities.	Micro Enterprise - N500,000 SMEs (financed by other PFIs) - 5,000,000 SMEs (funded by DMBs & DFIs) - N5,000,000	The Fund shall be administered at an interest rate of 3% per annum	The facility shall have a maximum tenor of one year for micro enterprises and up to five years for SMEs with option of moratorium. PFIs shall access the fund as many times as possible upon full repayment.	Collateral requirement from start-ups by PFIs (NIFIs) shall be educational certificates such as SSCE, National Diploma (ND), National Certificate of Education (NCE), National Business and Technical Examination Board (NABTEB), Higher National Diploma (HND), University degree (NYSC Certificate where applicable), and a guarantor. The start-ups to access the MSMEDF must present their Bank Verification Number (BVN).	Applicants are required to attend capacity building exercises in skills acquisition/vocational centers, CBN Entrepreneurship Development Centers (EDCs), or any such relevant agencies in participating states.

Real Sector Support Facility (RSSF)

The Real Sector Support Facility is a N300billion fund established by the Central Bank of Nigeria (CBN) to fast track the development of select sectors in Nigeria, including agriculture and manufacturing, and to generate employment as well as increase the revenue base for the country. The facility shall be administered at an all-in Interest rate of 9 % per annum payable on quarterly basis over a period of 15 years, due by December 31, 2030. Start-ups, or expanding projects are eligible to apply.

Financing Activities Covered by RSSF

All agricultural value chain players with greenfield (new) and brownfield (expansion) projects, except primary producers and traders.

Priority will be accorded projects with high local content, import substitution, foreign exchange earnings, and potential for job creation.

Eligible borrowers under RSSF borrowers are required to meet the following criteria to be eligible:

- Any entity falling within the definition of an SME and/or manufacturer.
- An entity wholly owned and managed as a Nigerian private limited company registered under the Companies and Allied Matters Act of 1990.
- A legal business operated as a sole proprietorship.
- Be a member of the relevant organized Private Sector Associations such as MAN, NASME, NACCIMA, NASSI etc.

Eligible PFIs

The loan shall be disbursed through any of these PFIs:

- Deposit Money Banks (DMBs)
- Development Finance Institutions (DFIs)

Required Documentation

In line with lender's requirements, such as:

- Applicant's formal letter stating amount required, utilization plan, tenor, and repayment plan.
- Clear feasibility study/business plan with cash flow projection and the underlying assumptions.
- Board resolution authorizing the transaction (where applicable).
- Audited accounts or statement of affairs (where applicable).

Facility Information

Interest on loan shall not exceed 9.0% per-annum inclusive of all charges.

Tenor

- Loans shall have a maximum tenor of 15 years (with 1 year moratorium allowed) depending on the complexity of the project and shall terminate on 31st December 2030. Each project tenor shall be determined in relation to its cash flow and life of the underlying collateral.
- Working capital facility of 1 year with provision of roll over for a maximum of 3 years.

Collateral and Equity Contribution

In line with lender's credit policy, such as:

- Legal mortgage (in perfection state without recourse to customer) on land/other properties on which the borrower holds legal transferable interest.
- Legal ownership of the items to be financed.
- Credit bond issued by insurance companies or related parties, an off takers surety, life insurance policy, a promissory note or other negotiable security, credit collateral or guarantee.
- All asset debentures over the enterprise.
- Warehousing, etc.

Loan Limit

- The single obligor for any project from a participating bank under the Scheme shall be a minimum of N500million and maximum of N10billion, subject to lender's risk acceptance criteria.

Types of Facilities and Tenor

- Differentiated Cash Reserves Requirement (DCRR) Regime: Loans to greenfield or expansion projects using CRR shall have a minimum tenor of 7 years (with 2 years moratorium allowed).
- Corporate Bonds (CBs): Financial instruments issued by Triple-A rated corporates that meet the eligibility criteria shall a minimum tenor of 7 years (with moratorium as specified in the prospectus by the issuing corporate).

Non-Oil Export Stimulation Fund (NESF)

The NESF was introduced by the Central Bank of Nigeria (CBN) in 2017 to diversify the revenue base of the economy and to expedite the growth and development of the non-oil export sector. This facility targets export-oriented agro-businesses that are duly registered and that possess verifiable off-take contracts. The NESF has a tenor of up to 10 years not exceeding December 31, 2027 and offers financing at a 9% interest rate per annum.

Financing Activities Covered By MSMEDF	Eligible PFIs	Eligible Borrowers Under NESF	Loan Limit	Interest Rate	Tenor	Collateral	Required Documentation
<p>Eligible transactions that shall qualify for funding under the NESF shall include:</p> <ul style="list-style-type: none"> • Export of goods processed or manufactured in Nigeria. • Export of commodities and services, which are allowed under the laws of Nigeria. • Imports of plant & machinery, spare parts, and packaging materials required for export-oriented production that cannot be sourced locally. • Resuscitation, expansion, modernization, and technology upgrade of non-oil export industries. • Export value chain support services such as transportation, warehousing, and quality assurance infrastructure. • Working capital/stocking facility. • Structured trade finance arrangements. 	<p>The loan shall be disbursed through any of these PFIs:</p> <ul style="list-style-type: none"> • Deposit Money Banks (DMBs). • Development Finance Institutions (DFIs). 	<p>Export-oriented enterprise that fulfills the conditions listed below shall be eligible to participate under the NESF:</p> <ul style="list-style-type: none"> • Duly incorporated in Nigeria under the Companies and Allied Matters Act (CAMA). • Has verifiable export off-take contract(s). • Satisfactory credit reports from at least two credit bureaus in line with the provisions of CBN Circular BSD/DIR/GEN/ CIR/04/014 dated April 30, 2010. 	<p>Term loans under the facility shall not exceed 70% of verifiable total cost of the project, subject to a maximum of N5billion and subject to lender's risk acceptance criteria.</p>	<p>Interest on loan shall not exceed 9.0% per annum inclusive of all charges.</p>	<p>The NESF shall have a tenor of up to 10 years and shall not exceed December 31, 2027. Working capital/stocking facility shall be for one year with the option of roll-over once subject to the approval of the CBN.</p>	<p>In line with lender's credit policy, such as:</p> <ul style="list-style-type: none"> • Legal mortgage (in perfection state without recourse to customer) on land/ other properties on which the borrower holds legal transferable interest. • Legal ownership of the items to be financed. • Credit bond issued by insurance companies or related parties, an off takers surety, life insurance policy, a promissory note or other negotiable security, credit collateral or guarantee. • All asset debentures over the enterprise. • Warehousing, etc. 	<p>The following documents are required:</p> <ul style="list-style-type: none"> • Written request from the project promoter to a PFI seeking funding under the NESF. • Completed application form. • Certified true copies of documents on business incorporation. • Three years tax clearance certificate. • Audited statement of accounts for the last three years (where applicable) or the most recent management account for companies less than three years in operations. • Feasibility study/business plan of the project. • Relevant permits/licenses/approvals • Verifiable export orders/contracts or other export agreement and arrangements/commitments. • Environmental Impact Assessment (EIA) report (where applicable). • Draft letter of offer by PFI, loan repayment schedule, and credit risk report of the customer.

Intervention Funding Products Available with Development Bank of Nigeria (DBN)

The Development Bank of Nigeria (DBN) was conceived in 2014 by the Federal Government of Nigeria (FGN) in collaboration with global development partners to alleviate financing problems faced by micro, small and medium scale enterprises (MSMEs) and small corporates in Nigeria through financing programs and partial credit guarantees. Financing from the DBN can only be accessed through participating financial institutions.

Financing Activities Covered by DBN

How to get a DBN Loan

1. Visit your bank: Commercial Bank, Microfinance Bank, Development Finance Institution (DFI) and other financial institutions and indicate you want to apply for a DBN Loan.
2. The bank appraises the business and loan purpose and if its assessment is favorable, the Bank applies to DBN for funding.
3. If DBN approves the loan, DBN will disburse to the Bank for on-lending to end borrowers.
4. You can access the DBN loan through any of these PFIs by contacting any of the banks listed below:
 - Commercial Bank, Microfinance Bank, Development Finance Institution (DFI), and other financial institutions.

Eligible Borrowers Under DBN

- All MSMEs (start-up or existing) involved in productive enterprises are eligible for the loan. However, they must be customers of eligible financial institutions

Other Information

Eligible FPIs

- Access Bank, Ecobank Nigeria, Fidelity Bank, FCMB, First Bank, Stanbic IBTC, GT Bank, LAPO MFB, Accion Bank, etc.

Interest Rates and Tenor

- Interest Rates are determined on a case-by-case basis while tenor is flexible for up to 10 years with a moratorium period of up to 18 months.

Required Documentation

- This is subject to the specific requirements of financial institutions who will carry out the disbursement.



**Intervention Funds Available with
Bank of Agriculture (BOA)**

Youth Agricultural Revolution Nigeria (YARN)

The Youth Agricultural Revolution Nigeria (YARN) is a N10 billion fund earmarked by the BOA to encourage Nigerian youths to consider agriculture as a worthy business and investment pipeline. The fund was created in line with the BOA's mission and mandate to stimulate agriculture and improve lives, providing resources and support within agricultural value chains. The facility has a 12% interest rate per annum with a maximum loan limit of N1 million.

Financing Activities Covered by YARN	How to Apply
<p>The beneficiaries must be smallholder farmers as defined under the Nigeria Incentive Risk Sharing for Agricultural Lending (NIRSAL) guidelines. These are the only activities the YARN facility funds.</p> <p>Eligible Borrowers Under YARN</p> <ul style="list-style-type: none">• The loans are accessible by individuals or groups. The individuals in the group can get N1 million each, subject to technical determination of scope and financial requirements of the project.• The loans can be accessed by individuals and groups in line with NIRSAL Credit Risk Guarantee (CRG) and Interest Draw Back Program (IDP). <p>Loan Limit/Tenor</p> <ul style="list-style-type: none">• The maximum loan limit under this product is N1 million per beneficiary, who must be smallholder farmers. Loan period on the fund is determined based on the project type. <p>Interest Rate</p> <ul style="list-style-type: none">• Interest is 12% per annum.	<p>Collateral</p> <ul style="list-style-type: none">• To facilitate unhindered access by these target groups, the beneficiaries need not have collateral but must provide acceptable guarantors. NIRSAL provides 75% credit guarantee. <p>How to Apply</p> <ul style="list-style-type: none">• Interested individuals will apply through the YARN portal on the BOA's website, at https://www.boanig.com/services4/youth-agricultural-revolution-nigeria/



Grow and Earn More (GEM) Loans

The GEM fund shares similar objectives with YARN but was specifically created for women who want to start careers in agriculture so they can have unhindered access to funds as they are usually a marginalized group. Outside of its gender component, the requirements and loan tenor under the GEM are the same with that of the YARN and have been outlined below.

Financing Activities Covered by GEM	How to Apply
<p>The beneficiaries must be smallholder farmers with the required land for cultivation or any of the value chain products.</p> <p>Categorization and Eligible Borrowers Under GEM</p> <ul style="list-style-type: none">• The loans are accessible by individuals or groups. The individuals in the group can get N1 million each subject to technical determination of scope and financial requirements of the project. <p>Loan Limit/Tenor</p> <ul style="list-style-type: none">• The maximum loan limit under these products is N1 million per beneficiary subject to technical determination of the scope and the input requirements while loan period on the fund is determined based on the project type. <p>Interest Rate</p> <ul style="list-style-type: none">• Interest is 12% under GEM.	<p>Collateral</p> <ul style="list-style-type: none">• To facilitate unhindered access by these target groups, the beneficiaries need not have collaterals. In lieu of this, there will be collateral substitutes such as adequate and acceptable guarantors with verifiable income, NIRSAL Credit Risk Guarantee to cover 75% of loan delinquency. <p>Required Documentation</p> <ul style="list-style-type: none">• Interested women will apply through the GEM portal on the BOA's website at https://www.boanig.com/services4/grow-and-earn-more/



Direct Credit

The Direct Credit product was developed in August 2017 to finance agricultural productions and agro-allied activities for small- and medium-scale enterprises who are looking to expand or scale up their agro-operations. This fund is domiciled with the Bank of Agriculture and offers loan facilities between N250,000 for individuals and N5million for corporates with an interest rate of 14% for agro-products.

Financing Activities Covered by Direct Credit

The beneficiaries must be smallholder with the required land for cultivation or any of the value chain products.

Loan Limits

- Loan volume ranges from above N250,000.00 to a maximum of N50million
- Limit of N5million to individual persons & above N5million to corporate organizations.

Interest Rate

- Interest rate 14% for agricultural production and agro-processing while rate for commodity marketing is 20%.

Tenor

- Not exceeding 5 years for both in-cash and in-kind disbursement.

How to Apply

Categorization and Eligible Borrowers Under Direct Credit

- For both individuals and cooperate bodies.
- Backed up with a viable, profitable, and bankable business proposal.
- Agro-business must be a clause in the company for corporate applicants.

Collateral

- Security acceptable to the BOA required.

Required Documentation

- Current tax clearance certificate required.
- Last three years of audited statements of account or statements of affairs required.
- Consent to mortgage of the landed property being pledged as security for the loan required.

How to Apply

- Interested individuals will apply through the Direct Credit portal on the BOA's website, at <https://www.boanig.com/portfolio/under-construction/>



**Intervention Funds
Available with the Bank of
Industry (BOI)**

National Program on Food Security (NPFS)

The NPFS is a FGN intervention targeted at agro-allied processors and farmers to enhance the productivity of apex farmers associations, registered co-operative groups and SMEs in all thirty-six states of Nigeria. The implementing agencies for the scheme are the Federal Ministry of Agriculture and Rural Development and the Bank of Industry (BOI), through the National Program on Food Security (NPFS). Farmers or farmer groups can apply for loans ranging from N250,000 to N10million with an interest charge of 8%.

Financing Activities Covered by NPFS	Required Documentation
<p>The NPFS finances agro-allied processors and farmers.</p> <p>Categorization and Eligible Borrowers Under NPFS</p> <ul style="list-style-type: none">• Agro-allied processors and farmers associations, registered cooperative groups and SMEs in all thirty-six States. <p>Loan Limit</p> <ul style="list-style-type: none">• N10million <p>Interest Rate</p> <ul style="list-style-type: none">• 8% per annum, all charges inclusive. <p>Tenor</p> <ul style="list-style-type: none">• Not exceeding seven years.	<ul style="list-style-type: none">• Evidence of payment of fees (if applicable, appraisal, commitment, and legal fees).• Return of duly executed loan agreements endorsed by the proprietor(s).• Letter showing specimen signature of the proprietor(s).• Individual external guarantors (if applicable): (a) means of identification (i.e., photocopy of international passport or driver's license or national identity card or permanent voter's card), (b) four passport photographs, (c) notarized statement of net worth (form will be issued by BOI,) (d) BVN, and (e) Curriculum Vitae of the Guarantor(s).• Original proforma invoice(s) of the items to be financed.



Rice & Cassava Intervention Fund (RCIF)

The Rice and Cassava Intervention Fund was created to specifically be utilized in the establishment of ten medium-scale rice mills of about 36,000 metric tons in Kano, Kogi, Kebbi, Zamfara, Bayelsa, Bauchi, Benue, Ogun, and Anambra States and six high quality cassava flour mills of about 18,000 metric tons of cassava tubers per annum in Ondo, Ogun, Abia, Delta, Nasarawa and Cross River States. The BOI is the designated fund manager for the proposed N13.6billion fund based on the MOU executed by the Federal Ministry of Agriculture and Rural Development (FMARD) and the BOI on October 23, 2014.

Financing Activities Covered by RCIF	Categorization and Eligible Borrows Under RCIF	Loan Limit	Interest Rate	Tenor	Collateral	Required Documentation
The fund, which has defined hallmarks, has to be utilized solely for the establishment of ten medium scale rice mills in Kano, Kogi, Kebbi, Zamfara, Bayelsa, Bauchi, Benue, Ogun, and Anambra States and six high quality cassava flour mills in Ondo, Ogun, Abia, Delta, Nasarawa and Cross River States.	The fund will be accessed by limited liability companies and enterprises engaged in adding value to the rice/cassava commodities through the setting up of milling facilities.	N1Billion	<p>Interest rate</p> <ul style="list-style-type: none"> Appraisal fee 1%. <p>Interest Rate</p> <ul style="list-style-type: none"> 5% for long term loan. 	10 years inclusive of 3 years moratorium.	<p>All assets debenture or any other form of collateral acceptable to the bank.</p> <p>Funding Structure 70:30 (debt/equity ratio)</p> <p>Repayment source payment of interest and principal from proceeds of the company's operations.</p> <p>Repayment mode monthly prepayments in equal and consecutive installments.</p>	<p>Applicants must answer "YES" to the following questions. before progressing the application to the next stage.</p> <ul style="list-style-type: none"> Is the applicant a duly registered company or business registered/incorporated? Is the company shareholding 51% female-owned? Is your line of business in manufacturing or commodity-based value addition? Do you have the requisite operating license/relevant permit e.g. DPR, NAFDAC? Do you have a factory to operate from? For existing businesses, is your net worth (shareholders fund) positive? Does the company have a standard factory building or leased premises designed to accommodate the equipment to be procured? Do you have a sustainable business model? Would you require minimum of 20% local contents in your production? Do you have minimum of 60% Nigerian ownership?

Youth Entrepreneurship Support (YES) Program

The Youth Entrepreneurship Support (YES) Program is designed to address youth unemployment in Nigeria through building their capacity and funding their business ideas. The YES Program is aimed at equipping young people with the requisite skills and knowledge to be self-employed by starting and managing their own businesses. Participants are drawn from young aspiring entrepreneurs between the ages of 18 and 35 years with innovative ideas. Applicants are required to have a minimum educational qualification of an Ordinary National Diploma (OND).

Components of YES (Activities that Precede Funding)

Components

- Eight-weeks extensive online Entrepreneurship and Business Management training.
- Five-days in-class Entrepreneurship and Business Management training covering essential business modules including the business idea, business model, sales and marketing, and ethics and finance.
- Technical skills training in partnership with the various technical training and vocational institutes in the country.
- Financing of the businesses by BOI under its SME cluster initiative in consonance with the United Nations Economic Commission for Africa's Commodity-Based Industrialization Strategy.

How to Apply

- Applicants will register online on the YES portal here; <https://reg.smetoolkit.ng/EDC/program/yes-program> The top 1,200 online participants will qualify for the in-class training program annually.
- The in-class trainings will be delivered by BOI accredited partner training institutes and shall take place on a bi-annual basis at selected centers spread across the six geo-political zones.

Loan Limit

- Up to N5million for loan.
- Equity investment could also be considered on a case-by-case basis.

Interest Rate

- Interest Rate: 9% per annum.
- Fees: 1% Processing Fee.

Tenor

- Term Loan: 3-5 years to be made monthly by direct payment into BOI's account or by post-dated cheques.

Moratorium

- Six months (from date of loan disbursement).

Collateral/Required Documentation

Security

Security for the facility would be combination of:

- Debenture over the assets of the company or specific charge over the equipment (present and future).
- Deposit of original NYSC certificate and higher educational certificate (Ordinary National Diploma, Higher National Diploma or University Degree) with BOI. This will be subject to the certificate being certified by Background Check International (BCI). Acceptable alternatives to Degree/HND certificates: Final Statement of Results, Success Letter, Testimonial or other verifiable evidence of course completion.
- Two external guarantors acceptable to BOI who must belong to any of the following categories:
 - Senior Civil Servant (Level 7 and above).
 - Bankers (not below the level of Banking Officer) and must have been confirmed by current employer.
 - Professionals i.e., medical doctors, lawyers, accountants, engineers, etc.
 - Senior staff of reputable quoted companies, international oil companies, telecommunications companies (GSM providers) etc.
 - Elected public servants/administrators.
 - Reputable entrepreneurs with on-going entities and registered business names.
 - Clergy.
- The guarantees must be supported by Notarized Statement of Net Worth acceptable to BOI.
- For established borrowers requesting for an expansion, security requirement (II) could be waived.

The background of the slide is an abstract composition of vibrant, overlapping wavy bands in shades of yellow, orange, and blue. Scattered across these bands are numerous small, clear water droplets of varying sizes, some reflecting light. The overall effect is dynamic and textured.

Intervention Funds Available with the Nigerian Export- Import Bank (NEXIM)

Export Development Facility (EDF)

The Export Development Facility (EDF) is being introduced by the Nigerian Export-Import Bank (NEXIM) to support export-oriented enterprises in the non-oil sector. The N50billion debenture fund is targeted at and Medium Enterprises (SMEs) who produce goods and services for direct exports and use at least 60% locally sourced raw materials for production. The facility has a yearly interest charge of 9%.

Financing Activities Covered by EDF

The Facility will be used to support export-oriented enterprises in the non-oil exports value-chain.

Categorization and Eligible Borrowers Under EDF

- Only export-oriented enterprises shall be eligible under the EDF. Such shall also be:
 - Duly registered/incorporated in Nigeria.
 - Commercially viable and have relationships with established counterparties and contracts with verifiable export off-takers.
 - With satisfactory credit reports obtained from at least two credit bureaus (in line with the provisions of the CBN Circular BSD/DIR/GEN/CIR/04/014 dated April 30, 2010).
 - Projects in sectors that impact women and youth employment or projects with deliberate focus on women/youth empowerment.
 - Programs in the export value chain.
 - Projects with regional export promotion/export development objectives and/or promoted by states as a private sector export enterprise.

Tenor

- The EDF shall have a maximum tenor of up to 9 years.

Moratorium

- The EDF allows for moratorium on principal repayment. This shall however be project-specific and not exceed two years during the implementation or construction phase of the project.
- Additional moratorium period of twelve months may be added to the initial moratorium period in the event of completion delays at a negotiable restructuring fee, subject to a maximum of 0.25% flat rate.

Interest Rate

- The Facility shall be availed at a maximum all-in interest rate of 9% per annum inclusive of all charges. However, legal charges are to the account of beneficiary projects.

Required Documentation

Each request for a facility must be accompanied by the following documents:

- Application form.
- Request from the project promoter seeking funding under the EDF.
- Certificate of business incorporation.
- Audited statement of accounts for the last three years.
- Management account for existing companies and statement of affairs for start-ups (where applicable).
- Feasibility study/business plan of the project.
- Relevant permits/licenses/approvals (where applicable).
- Verifiable Export Orders/Contracts or other Export Agreement & Arrangements/Commitments.
- Environmental Impact Assessment (EIA) Report (where applicable).
- Copies of executed warehouse arrangements with acceptable collateral managers for structured trade transaction.
- Any other document(s) that may be required by NEXIM.

Monitoring & Evaluation

- All funded projects shall be subject to both on- and off-site monitoring by NEXIM from time to time during the duration of loan. Loans availed under NIRSAL Guarantee shall also be subject to monitoring by NIRSAL Plc.

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Intervention Funds Available with GroFin

GroFin

The GroFin fund is an impact-driven finance that provides business loans and business support services to SMEs. GroFin provides support to SMEs in 14 African countries and the Middle East, including South Africa, Nigeria, Ghana, Ivory Coast, Senegal, Uganda, Tanzania, Kenya, Rwanda, Zambia, Egypt, Iraq, Jordan, and Oman. The facility has a yearly interest charge of 9% and up to \$385 million have been approved in loans for over 9000 businesses.

Financing Activities Covered by GroFin

The GroFin loans are for businesses making a positive social and economic impact, like creating jobs, empowering women, benefiting the environment, etc.

Eligibility

- To be eligible for a GroFin loan, the business must be in one of the preferred sectors of the fund: education, healthcare, agri-processing, manufacturing, or key services (energy/waste /water /recycling) and must be operational in the countries where the fund is present.

Loan Criteria/Tenor

- Interested businesses must have been operational for 2-3 years and have an annual turnover of 1.5 times the loan amount and require medium-term loan capital between US\$100,000 and US\$1.5 million (equivalent in local currency) for a loan duration of 3-8 years. Start-ups are considered on a case-by-case basis.

Interest Rate

- The Facility shall be availed at a maximum all-in interest rate of 9% per annum inclusive of all charges. However, legal charges are to the account of beneficiary projects.

Required Documentation

Entrepreneurs are expected to provide a collateral or guarantors to access the loans. Details of this are provided during the application process.

How to Apply

- An online Assessment is available at: <https://grofin.com/assessment-form/>
- A GroFin representative will contact entrepreneurs who qualify for the loan after the assessment form is filled.



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Grants

The following grants are available for agro-allied MSMEs.

Name of Grant	Activities of the Fund	How to Apply
<p>West Africa Trade and Investment Hub</p> <ul style="list-style-type: none"> The West Africa Trade and Investment Hub is a USAID-funded sister activity to reduce the cost and risk of doing business in Africa. The Trade Hub wants to attract \$300 million of new private investment, create 40,000 new jobs, and increase regional and international trade in various sectors including agriculture. 	<p>Build links among businesses, and strengthen the agricultural and trade sectors in Nigeria, Senegal, Côte d'Ivoire, Ghana, and other West African countries.</p> <p>Tenor</p> <ul style="list-style-type: none"> Over five years, the Trade Hub will administer \$60 million in co-investment funds to attract private-sector investment of \$300 million. <p>Implementing Agency</p> <ul style="list-style-type: none"> The Trade Hub project will be implemented by Creative Associates International. 	<p>Application details on the West African and Trade Investment Hub are being updated on the project's website: https://westafricatrade-hub.com</p>
<p>Agro-Processing, Agricultural Productivity Enhancement and Livelihood Improvement Support Project (APPEALS)</p> <ul style="list-style-type: none"> The Agro-Processing Agricultural Productivity Enhancement and Livelihood Improvement Support Project for Nigeria (APPEALS) is a \$200.0 million Federal Government of Nigeria FGN-World Bank Assisted Grant Program created in March 2017 to enhance agricultural productivity of small- and medium-scale farmers and improve value addition along priority value chains in the participating states. <p>Target Beneficiaries</p> <ul style="list-style-type: none"> 60,000 beneficiaries and 360,000 farm household members as indirect beneficiaries in project states - Cross River, Enugu, Lagos, Kogi, Kaduna, and Kano States. 	<p>The APPEALS project is being implemented by the Federal Ministry of Agriculture and Rural Development and has five core components:</p> <ul style="list-style-type: none"> Private Sector Development Human Development and Gender Urban and Rural Development Finance Environmental Resource Management <p>Tenor</p> <ul style="list-style-type: none"> Six years. Closing Date: September 30, 2023. 	<p>Interested applicants can refer to project website to access application forms: https://www.appealsproject.com.ng</p>
<p>Tony Elumelu Foundation (TEF)</p> <ul style="list-style-type: none"> The Tony Elumelu Foundation is a philanthropic organization that empowers innovative businesses, including agro-businesses across Africa by providing them \$5,000 equity-free seed funding. 	<p>Interested applicants will apply through the application link on the TEF website and successful applicants will then go through a 12-week mentorship program and create business plans. Top performing entrepreneurs will be shortlisted to go through a pitching phase and top performers will receive the \$5,000 seed capital.</p> <p>Tenor</p> <ul style="list-style-type: none"> The grant is awarded every year; applications open on January 1 and close on March 31. 	<p>To apply to the TEF program, sign up on https://tefconnect.com and then click on "Apply."</p>

Name of Grant	Activities of the Fund	How to Apply
<p>Nourishing Africa</p> <ul style="list-style-type: none"> Nourishing Africa's Entrepreneurship Support Program provides financial and technical support for young Nigerian entrepreneurs who want to rebuild and strengthen their agri-food business. 	<p>The program is for Nigerian citizens between the ages of 20-40 who run a food or agriculture business in Abuja, Anambra, Delta, Edo, FCT, Kaduna, Kano, Lagos, Ogun, Osun, or Oyo State. The program occurs in four phases; the initial application stage where 800 applicants will be selected, the seminar phase for which 500 applicants will qualify, the grant intervention stage where 127 entrepreneurs will be selected for and then the ongoing support and mentorship stage.</p> <p>Tenor</p> <ul style="list-style-type: none"> Grant interventions of up to N3,500,000 is phased over a 1-year period. 	<p>Applications to the Nourishing Africa Fund must be submitted online at https://hub.nourishingafrica.com/esp</p>
<p>United States African Development Foundation (USADF)</p> <ul style="list-style-type: none"> USADF is a community enterprise support program that provides seed funding and technical support to underserved community enterprises. 	<p>The USADF fund is targeted at smallholder farmers, women-led businesses or initiatives that seek to enhance women and girls and recovering communities. Agricultural cooperatives and small-scale producer groups, community-based organizations (CBOs), small- and medium-sized enterprises (SMEs) that employ not more than 100 workers, have a maximum \$500,000 annual sales revenue, and have a business plan that directly or indirectly impacts communities are eligible to apply.</p>	<p>Application information to USADF is available at https://www.usadf.gov/apply</p>





Credit Guarantees

Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)

The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) is an initiative of the Central Bank of Nigeria (CBN), the Bankers Committee (BC) and the Federal Ministry of Agriculture & Rural Development (FMA&RD). NIRSAL is a \$500 million fund created in 2013 to stimulate the flow of affordable finance and investments into the agricultural sector through five strategic pillars which include risk sharing, insurance, technical assistance, incentives, and rating. The mandate of NIRSAL is to deliver inclusive growth by facilitating the flow of credit to agribusinesses and collaborating with stakeholders to improve the agricultural value chain in Nigeria.

Financing Activities Covered by NIRSAL Guarantee

- Preparing land for livestock breeding/planting.
- Preparing water bodies and irrigation programs.
- Developing cluster enabling infrastructures to reduce cost and improve efficiency.
- Procuring farm inputs.
- Raising livestock including aquaculture.
- Planting seeds.
- Harvesting equipment.
- Storage and post-harvest materials.

Portfolio Classification, Guarantee Coverage and IDB Levels

Category Number	Category	Single Obligor Limit	CRG Cover of Loan	IDB Payable
1 (a)	Smallholder Farmers, Farmer Groups and (Livestock, Poultry, Aquaculture, and Single or Mixed Cropping):	• 5 Million	75%	40%
1 (b)	Cooperatives	• 50 Million	75%	40%
1 (c)	Large Scale Primary Producers: (Livestock, Poultry, Aquaculture, and Single or Mixed Cropping):	• 2 Billion	50%	20%
2(a)	Mechanization	• 50 Million	75%	40%
2 (b)	Large Scale Mechanization	• 2 Billion	50%	20%
3	Processors	• 2 Billion	50%	20%
4	Integrated Farms	• 2 Billion	30%	20%
5	Logistics Provider	• 2 Billion	30%	20%
6	Agro-dealers, Input, and Equipment Suppliers:	• 2 Billion	30%	20%

Interest Rebate Payment

- Only transactions that are issued a credit guarantee shall qualify for interest rebate support.
- Interest rebate will be paid on the face value of the loan and not the guaranteed portion.
- All credit guarantees issued by NIRSAL shall qualify for rebate payments unless transaction specific issues or limitations arise.
- Rebate payments are subject to compliance with the loan's underlying conditions and timely repayments, i.e., rebates will be made every 90 days if borrower repaying on schedule or per agreement with lender.

Borrower Equity Contribution

- NIRSAL recommends that counterparties should require a minimum 10% contribution as test of borrower commitment to the loan.
- Be that as it may, subject to individual transaction circumstances, counterparties can waive, adjust upwards, or adjust downwards the recommended equity contribution levels based on individual borrower circumstances, repayment history, underlying project characteristics, and similar considerations, etc.

- Transportation, logistics, and maintenance.
- Processors (primary, secondary, and tertiary).
- Packing companies.
- Wholesale downstream distributors.
- Specialized service providers.

Eligibility for CRG/TDB Fund

- Submission of a formal application for CRG in NIRSAL's format and an offer letter from the lending financial institution indicating its approval to finance the project.
- The receipt of the credit review and feasibility study upon which the lending financial institution's approval is based and provide additional documents as may be required by NIRSAL for processing guarantee.
- Agree to random due diligence, audit, and inspection of business of farm by NIRSAL.
- Comply with all applicable federal and state tax laws.
- Agree to comply with filing and monitoring requirement including electronic submission, portfolio management, and loan monitoring.
- Comply with the terms of the NIRSAL CRG guidelines and with any other requirement that may be published by NIRSAL periodically.

Other Guarantee Requirements

Fees for Credit Guarantee Contracts

- NIRSAL Plc charges a guarantee fee of 1% flat, charged upfront at the start of the transaction on the face value of the principal face value of the loan for the first year and 1% on the principal outstanding for subsequent years (in event of a multi-year tenor loan). There is also an additional 1% PMRO monitoring fee chargeable in the form and manner stated above.
- NIRSAL will issue an invoice to the counterparty once a guarantee is signed. The contract will be considered effective as of the day the fee is received even if such a date differs from the contract execution date. Guarantee contracts will be considered null and void if no payment is received 30 days after an invoice is dispatched to the counterparty unless such a party contacts NIRSAL and provides a sufficiently compelling rationale for non-payment.

Collateral Requirements

- Lenders can request appropriate levels of collateral consistent with the language of the 2012 Guidelines, subject to borrowers possessing the capacity to make such collateral available, and such collateral being meaningful, i.e., realizable.
- NIRSAL recommends that lenders continue to be transaction-specific when assessing required levels and types of collateral, e.g., off taker contract versus factory equipment versus land title.
- NIRSAL will continue to provide written and oral advice to counterparties regarding compliance of certain forms of collateral with standard market expectations.

