



NEWS HIGHLIGHTS:

17th – 21nd May 2021.

- **AfDB, European Bank to Bridge \$2.5tn Africa's Financing Gap.**
- **World Remit to Continue Offering Naira 4 Dollar Incentive.**
- **Stocks Sink on Inflation Woes, As Bitcoin Plunges.**
- **Mdas Failed To Account For N1.2trn –FRC.**
- **Capitalization of Lagos Cooperative Societies Hit N33b.**
- **Fed Govt's Agencies 'Keeping N1.2tr Illegally'**

RATE MONITOR.

GDP.	=	2.2%
MPR	=	11.5%
INFLATION=		18.12%

GLOBAL ECONOMY:

- **AfDB, European Bank to Bridge \$2.5tn Africa's Financing Gap**

The African Development Bank Group and the European Bank for Reconstruction and Development on Monday signed a Memorandum of Understanding to promote sustainable private sector development in Africa. In a statement issued by its Communication and External Relations Department, the AfDB said, "The MoU will help catalyse new sources of financing to help bridge the \$2.5tn annual financing gap for development in Africa.

"This gap requires that development finance institutions work in partnership."

The bank stated that under this partnership, the AfDB and the EBRD would capitalise on their respective Expertise and experience, with a particular focus on climate change, green and resilient infrastructure and capital markets development. "They will also work on improving business environments, bolstering the real economy and mobilising private sector investment," the AfDB stated.

It observed that COVID-19 was threatening progress made towards the United Nations Sustainable Development Goals and was exacerbating debt vulnerability of many African countries. The bank stated that sustainable private sector development would be key to recovery and prosperity across the continent. AfDB's President, Akinwumi Adesina, after signing the memorandum with his counterpart, EBRD President, "The impact of COVID-19 on government resources is huge and we need to mobilise more private resources to help African countries build back stronger." On his part, Renaud-Basso, said, "The COVID-19 crisis has made the need for better and ever closer collective Action even more urgent.

- **World Remit to Continue Offering Naira 4 Dollar Incentive**

World Remit, a leading global cross-border payments company, says it will continue to reward customers who receive international money transfers through partner banks in Nigeria. As one of the fully registered and licensed IMTOs operating in Nigeria, World Remit says money transfers made through it will benefit from this incentive. World Remit customers will receive N5 for every US\$1 received through the fully digital international payments platform, thereby increasing the value of pay-outs for recipients. This follows

the extension of the Central Bank of Nigeria's Naira-4-Dollar scheme. The scheme, which was launched on March 8, 2021, will run indefinitely following a notice released by the apex bank. The Naira 4 Dollar scheme was launched as a strategy to maintain the increased levels of payments recorded earlier in the year and encourage the use of licensed International Money Transfer Operators (IMTO) like World Remit. The CBN believes this incentive will improve FX inflows and boost liquidity in the foreign exchange market. "The CBN's decision to extend its Naira for Dollar scheme is indeed a development we will continue to support," said Gbenga Okejimi, Country Manager for Nigeria and Ghana at World Remit.

He said World Remit was delighted to be part of an initiative that presents a win-win situation for all key parties involved including the government, the senders and the recipient who receives a higher value of payout than expected. "Customer and community satisfaction forms a key aspect of our operations and we will continue to support this and similar initiatives as they present themselves," he said.

As part of efforts to fulfil its transformative role as a fintech company that drives economic growth for the benefit of recipients and senders alike, WorldRemit continues to quickly adapt to and implement regulatory directives that are beneficial to customers. Last year, WorldRemit was the first IMTO to implement CBN's Naira 4 Dollar directive to deliver bank transfers in USD for all recipients in Nigeria, and currently has one of the broadest and largest USD pay-out networks across the country. WorldRemit currently spends money from over 50 to 130+ countries, operates in more than 5,000 money transfer corridors worldwide and employs over 1,200 people globally.

- **Stocks Sink On Inflation Woes, As Bitcoin Plunges:**

European stock markets sank Wednesday on soaring inflation numbers, while bitcoin took another tumble after China's central bank said cryptocurrencies cannot be used for payments. Oil prices slid on reports of a possible breakthrough in nuclear talks with key crude producer Iran — and a rise in value by the dollar against other major currencies. London equities shed 1.1 percent by midday as official data showed a spike in UK inflation in April. Frankfurt dived 1.3 percent and Paris lost 1.1 percent in early afternoon eurozone trade, after losses earlier in Asia and overnight on Wall Street. "European markets are trading sharply lower on Wednesday, after a late sell-off on Wall Street," noted OANDA analyst Sophie Griffiths. "Inflation fears continue to haunt the markets," she warned. Britain's official consumer prices index hit 1.5 percent in April, the highest since the start of the Covid-19 pandemic in March 2020. The data stoked jitters over a global surge in prices as economies reopen, and came one week after news that US inflation had shot up to 4.2 percent in April.

DOMESTIC ECONOMY:

- **Mdas Failed To Account For N1.2trn –FRC:**

The Fiscal Responsibility Commission has said ministries, departments and agencies of the Federal Government are withholding about N1.2trn. The commission said this is according to audit reports of some MDAs and unaudited accounts of others. The FRC also said MDAs have remitted operating surpluses of about N2.15tn since inception. The commission, however, listed 32 MDAs that have yet to present their audit reports to it since since 2007 when it was established.

The Executive Chairman, Fiscal Responsibility Commission, Mr Victor Muruako, stated this at a press conference held at the National Assembly in Abuja on Wednesday. The affected MDAs are Administrative Staff College of Nigeria, Bank of Agriculture, Bank of Industry, Cement Technology Institute of Nigeria, Centre for Black African Arts and Civilisation, Chad Basin National Park, Federal Radio Corporation of Nigeria, Gashaka Gumti National Park, Gurara Water Management Authority, Hadejia-Jamaare River Basin Devt. Authority, Integrated Water Resources Development Agency and Kainji Lake National Park. Others are National Broadcasting Commission, National Business and Technical Examination Board, National Council of Arts and Culture, National Drug Law Enforcement Agency, National Food Reserve Agency, National Lottery Trust Fund, National Space Research and Development Agency, National Sports Commission, National Steel Development Fund (now Solid Minerals Devt.

Fund); National Theatre, Iganmu, Lagos; National Troupe, Iganmu, Lagos; and Nigeria Agricultural Quarantine Service. The FRC boss also stated that though fiscal federalism exempts much of the expenditures and finances of states and local governments from control of the Federal Government, the Act requires the commission to encourage and support subnational governments with technical assistance towards enacting fiscal responsibility laws and by-laws that are similar to FRA, 2007.

- **Capitalization Of Lagos Cooperative Societies Hit N33b:**

Lagos State Commissioner for Commerce, Industry and Cooperatives, Dr. Lola Akande, has revealed that the capital base of the 2359 cooperative societies in the state has increased to N33 billion. Speaking at the 2021 ministerial press briefing to commemorate the second year of Gov. Babajide Sanwo-Olu, Akande, also said the cooperative insurance scheme has made payment of N50, 702,337. She added that 247 new cooperatives were registered, 807 annual accounts approved with 410 mediations and 1693 routine inspections conducted in the last year.

According to her, as part of efforts to ensure best practices, the ministry is championing that the course of the Lagos State Cooperative College is accredited by the National Board for Technical Education (NBTE) to run a national diploma in cooperative economics, management, microfinance and entrepreneurship development. Akande noted that the college, from time to time, has organized various human capacity-building programs for over 4000 cooperators in the state. The commissioner revealed that as part of an effort to ensure consumer satisfaction, the Lagos State Consumer Protection Agency (LASCOPA) has recovered over N44m as compensation and outright refund of payment for returned substandard goods and services. She also said that LASCOPA, through its mediation sessions, received 1018 complaints.

Similarly, the Commissioner for Tourism, Arts and Culture, Uzamat Akinbile-Yusuf, revealed that the state tourism master plan and policy document to revolutionize the state tourism sector would be presented next month. She said the master plan and policy would provide the pathway for the implementation of all tourism, arts and culture-related activities by the state government in the next couple of years.

- **Fed Govt's Agencies 'Keeping N1.2tr Illegally':**

The Fiscal Responsibility Commission (FRC) yesterday accused Ministries, Departments and Agencies (MDAs) of the Federal Government of keeping N1.2 trillion in their coffers illegally it said the MDAs were truncating the accountability and transparency in handling government revenue by failing to abide by the Fiscal Responsibility Act. The Commission said over N1.2 trillion in revenue was still being withheld by defaulting agencies that have refused to remit their 80 per cent Operating Surplus to the Consolidated Revenue Fund, adding that several MDAs still persist in defaulting and keeping money away from the government reach for funding of its budget. The Commission said over 60 per cent of government agencies have failed to associate their yearly budget with the Medium Term Expenditure Framework (MTEF), the template for which the Federal Government budgets is prepared. The Chairman of the Commission, Victor Muruaku, who spoke while addressing Assembly Correspondents, also indicted about 32 government agencies for failing to submit their audited account to the Commission to enable it calculate their Operating Surplus, which is supposed to be paid into the Consolidated Revenue Fund of the Federation.

Among the agencies are the Nigeria Security and Civil Defence Corp, Bank of Agriculture, Bank of Industry, Federal Radio Corporation of Nigeria, National Broadcasting Commission, National Drug Law Enforcement Agency, Standard Organisation of Nigeria, Nigeria Immigration Service, Nigeria Content Development and Monitoring Board, National Integrated Water Resources Management Commission, National Sports Commission, Administrative Staff College of Nigeria and National Business and Technical Examination Board among others. The FRC Chairman said while the Fiscal Responsibility Act provided for offences, it failed to make provision for sanction and punishment, thereby making implementation difficult. Muruako said by the provisions of the Fiscal Responsibility Act 2007, government owned enterprises and Corporations are supposed to remit 80 per cent of their Operating Surplus to the CRF at the end of every year to make money available for government to fund the annual budget.

According to him, through the persistent and continuous engagement of MDAs by the Fiscal Responsibility Commission and especially with the support of the National Assembly, the Federal Government's share of Operating Surplus from these Corporations has continued to increase over the years.

"From our records, the total figure paid as Operating Surplus since the establishment of the PRC to date is beyond N2.15 trillion which, by the way, could not have been possible without the Act and the Commission, given that there would have been no law, rule, regulation or institution requiring such returns.

"Sadly, many MDAs still persist in defaulting and practically keeping money away from the federal government's reach for funding its budgets. Our records indicate that over N12 Trillion is still in the hands of defaulting MDAs.

"These figures are confirmed from our analysis of the annual audited financial reports submitted to our Commission by the concerned Agencies. Much more is yet out there in the hands of MDAs that either have failed to dutifully audit their accounts or that have done so but choose not to forward copies of their audited financial reports to the Commission as required by law." He disclosed that some of the agencies have also developed the habit of writing to withdraw their audited account after the Commission must have calculated their operating Surplus which is done after the agencies has submitted such audited account. He said further that from the agency's verification of government capital projects, it was discovered that 60 per cent of government agencies often undertaking more projects than they can handle because they fail to abide by the approved MTEF.