

**COUNTRY : NIGERIA**

**PROJECT NAME : LINE OF CREDIT TO ACCESS BANK PLC.**

**SECTOR Financial Services**

**CONTRIBUTION OF ADB: US DOLLAR 35 MILLION**

**PROJECT DESCRIPTION:**

This LOC is to be utilised by Access Bank to finance the establishment; expansion; modernisation and diversification of private sector productive facilities in various sectors of the Nigerian economy. Sectors targeted by Access include infrastructures, agribusiness, manufacturing, telecommunications and oil and gas. The loan will be used largely for the purposes of providing project finance, specifically to finance the purchase or importation of capital and replacement equipment and machinery as is required, which would be used to increase the productive capacities and the export potential of the sub-borrowers. Part of the loan will be used to meet the financing needs of SME's; particularly those that are export oriented. The Bank will ensure that Access will use the funds for the sole intention for which they are provided by incorporating such clauses in the legal agreement that will be signed by both parties.

**PROJECT BENEFITS:**

The LOC will participate in achieving the Bank's objective of support to economic growth, through financial injection in business-enabling infrastructure such as telecommunications (potential 30% of total LOC), port and airport infrastructure (20%), and hospitality (5%). Infrastructure sectors have received little or no attention in Nigeria in the last 15-20 years (save for advances made in the telecoms industry through privatization and liberalization). While the benefits of investments in infrastructure are expected to reduce the cost and ease of doing business in Nigeria, the LOC will make production facilities more efficient, as beneficiaries will be across the Nigerian corporate industry, with an outreach to manufacturing (15%) agribusiness (10%) and indigenous oil and gas.

This focus will create the much needed impetuous for job creation and ancillary opportunities through services companies. The types of employment opportunities will be semi-skilled to skilled and is expected to bring with it transfer of technology and expertise through training, joint venture agreements and new types of industries in various locations within the country. For competitive sub-borrowers this LOC will not only help recruitment, but also safeguarded otherwise threatened employment. Based on the experience of LOCs in Nigeria, it was calculated that an investment of USD 1 million, created 30 jobs. By these standards, social benefits will include improvements in standard to living through the creation of jobs estimated of around 1000. The impact of heightened employment will develop housing stock, amenities that come with large projects such as health care, education and facilities such as roads, pipe borne water and power generation classifies any long term borrowing above 5 years as Tier II capital.