

PROGRAMME ADVERTORIAL/CALL FOR PARTICIPATION

INTRODUCTION

As a concept, pioneered in Nigeria by Development Finance Institutions (DFIs), fund matching has since been embraced by most financial institutions for making credit/financing available to micro and small enterprises (MSEs). The strategy requires the fund matching partners (often a Financial Institution and an MSMEs-promoting institution/ Government) to share the risks of making funds available to target MSEs - usually at concessionary rates over the medium-term (tenor). Consequently, desirous of building synergy on this very important aspect of their respective mandate **SMEDAN** and Jaiz Bank Plc hereby announces the commencement of the **JAIZ/SMEDAN MATCHING FUND PROGRAMME FOR MICRO AND SMALL ENTERPRISES**. This intervention is to deliver credit, to the sub-sector, as a promotional mechanism to enhance enterprise output, competitiveness and jobs creation. The disbursing entity, under the programme, shall be Jaiz Bank.

2. PROGRAMME TERMS AND CONDITIONS

The here-under definitions, terms and conditions shall apply under the Programme, viz:

- i. **Target Beneficiaries Definition:** Target beneficiaries for this Programme shall be labour-intensive, micro or small enterprises (MSEs), operating in the real sector. These shall ideally be innovative value-added, agri-business products that are establishing footprint in the Nigerian market, and require additional funds to increase output. Qualified enterprises shall also be utilizing local raw materials (at least 65%); are regulatory-compliant and capable of generating employment for at least 2 – 5 additional persons as a result of the facility obtained. Finally, in line with current emphasis for back-to-back value-chain financing, agri-business on-farm/ware-housing enterprises shall also be considered.
- ii. **Financing available under the programme:** Prospective beneficiaries may apply for financing within the range of N2 million – N5 million, with enterprise modernization and/or expansion as the focus.
- iii. **Conditions/Terms applicable:** The mark up/profit rate applicable on all financing, under this programme, shall not exceed single digit per annum. The financing tenor is for a maximum period of 30 months, effective from the date of first disbursement. This is inclusive of moratorium (which may vary between 3 - 6 months, depending on the type of enterprise). Beneficiaries must complete a finance application form, sign all necessary documents with Jaiz Bank Plc, and shall also bear cost of all approved charges (i.e. Application fee of N5,000.00 and N5,000.00 for cost of conducting credit search on beneficiaries on at least two (2) Credit Bureau sites for processing facilities which is in line with the CBN regulatory provisions and RTGS transfer charges. These total N10,000.00 for both fees). The mandatory Agricultural Insurance cover by NAIC and also the key man Takaful insurance by a reputable Takaful company applies to all beneficiaries over the project life.
- iv. **Applicable Security:** In line with the conditions/provisions of this programme, processing of this facility will require fulfilment and provision of the following:
 - a. Provide Bank Verification Number (BVN).
 - b. Execute Global Standing Instruction (GSI) order.
 - c. NIRSAL Credit Guaranty Cover.
 - d. A moveable asset to be registered under the National Collateral Registry (NCR), in line with CBN policy for facility/financing above N500,000.00.
 - e. Key man risk Takaful insurance cover.

3. PROGRAMME IMPLEMENTATION MODALITIES

To facilitate inclusiveness and transparency, under the programme, the

hereunder are the approved, step-wise, implementation modalities for all applicants.

- i. **Portal Opening:** This shall be done via a public notice placed in selected national dailies to invite all suitably qualified MSEs to apply by clicking the icon jaizbank/smedanmatchingfundprogramme on the SMEDAN website (www.smedan.gov.ng). Once migrated to the smecredits portal, pre-qualification of applicants shall commence.
- ii. **Pre-qualification of Applicants:** This takes the form of soliciting binary (i.e. Yes/No) responses to a number of fields to confirm the applicant's suitability for the facility. Disqualified applicants cannot proceed beyond this stage.
- iii. **Business Plans Submission:** To continue, pre-qualified applicants shall be required to pay a processing fee of ten thousand (N10,000.00) naira for the Business Plan template on the platform (Note that a separate training fee is not required). Also, note that a number of Business Plan slots shall be allocated to each participating state. Consequently, entries for such state shall cease when the required number is met.
- iv. **Business Plans Evaluation** It shall be the responsibility of SMEDAN, using approved in-house criteria, to shortlist business plans for field validation. Such criteria shall include the following, bankability of business plans; equitable distribution of prospective beneficiaries; gender balance.
- v. **Field Validation Visits/Referral to Jaiz Bank:** Field visits shall be carried out to all shortlisted MSEs, from the preceding stage. Validated MSEs from this process shall then be referred to Jaiz Bank.
- vi. **Due Process/Confirmation of Final Beneficiaries:** This shall be based on Jaiz Bank Plc Financing Risk Assets Acceptance Criteria (RAAC), as suitably modified for this programme. Jaiz Bank Plc shall thereafter inform all successful applicants, with guidance on next steps.
- vii. **Refresher Training of Selected Beneficiaries:** All selected beneficiaries shall receive refresher entrepreneurship training, at no extra cost, by SMEDAN, as a condition to draw-down.
- viii. **Opening of Bank Accounts:** All successful applicants shall open (and operate) accounts with the Jaiz Bank Plc branch nearest to their project location. The required 10% lien deposit shall thereafter be paid into their accounts by SMEDAN, prior to draw-down.
- ix. **Financing Disbursement/On-field Repayment and Advisory Services:** Finance disbursement shall be by Jaiz Bank Plc in line with its non-interest model of financing, and shall also commence recovery at the end of the advised moratorium. SMEDAN, on its part, shall carry out quarterly advisory visits to beneficiaries, during this period.

CALL FOR PARTICIPATION:

The joint programme partners – Jaiz Bank Plc and Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) - hereby invites applications from all suitably-qualified micro and small enterprises (MSEs) located in **Katsina, Kogi, Bauchi and Adamawa States**. It should be clearly understood that programme particulars set out in paragraphs 1 – 3, above, form the basis for consideration of financing requests under this programme. Applications from qualified micro and small enterprises for facilities under this programme shall be received over a period of six (6) weeks or when the allocated quota of business plans per participating state is exhausted (whichever comes first).

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