

N300 BILLION CBN POWER AND AIRLINE INTERVENTION FUND (PAIF)

1. Objectives of the Fund

The objectives of the Fund are to:

- i. fast-track the development of electric power projects, especially in the identified industrial clusters in the country;
- ii. fast-track the development of the aviation sector of the Nigerian economy by improving the terms of credit to Airlines;
- iii. improve power supply, generate employment, and enhance the living standard of the citizens through consistent power supply;
- iv. provide leverage for additional private sector investments in the power and aviation sectors.

2. Managing Agent /Technical Adviser (TA) / Participating Banks

- i. Managing Agent: Bank of Industry (BOI), responsible for the day to day administration of the Fund
- ii. Technical Adviser: Africa Finance Corporation (AFC), the TA to the Fund.
- iii. Participating Banks: All Deposit Money Banks and Development Finance Institutions (DFIs) excluding the Bank of Industry (BOI).

3. Types of Facilities

- i. Long term loans (for new Power Projects)
- ii. Refinancing of existing loans (Power and Airline Projects)
- iii. Refinancing of existing leases (Power and Airline Projects)
- iv. Working capital (for existing Power and Airline Projects only)
- v. Refinancing of Aircraft Hangar projects.

4. Amount / Tenor

- i. The Fund facility shall not be more than 70 percent of the total cost of the project.
- ii. The Fund loans shall have a maximum tenor of 15 years as determined by the project's cash flow profile not exceeding 31st July, 2025.
- iii. Working capital facility shall be of one year duration with provision for roll-over but not more than 5 years.
- iv. The Fund allows for moratorium in the loan repayment schedule.
- v. The moratorium on principal shall depend on the type and nature of the project and shall not exceed either the construction period of the project.

5. Application Procedures

i. Submission of Requests

A PB shall submit a request, on its behalf or on behalf of other parties in the case of syndication or other arrangements, in the prescribed format on behalf of the project promoters. In the case of syndication or other arrangements, BOI shall deal directly with the lead bank only on all issues relating to such application.

ii. Required Documentation

Each request must be accompanied by the following documents:

- i. Request from the project promoter seeking such loan and/or refinancing/restructuring;
- ii. Last 3 years financials of an existing company;
- iii. Feasibility study/business plan of the project;
- iv. Relevant permits/approvals;
- v. Off-take and other relevant agreements;
- vi. Environmental impact assessment report;
- vii. Copies of duly executed offer documents between the bank and the company evidencing existence of a facility in the case of refinancing;
- viii. Six (6) months account statements showing the current exposure (if any);
- ix. Certificate of incorporation evidencing the incorporation of the company with the corporate affairs commission; and
- x. List of directors of the company (form co7)
- xi. Other documents as may be required by the TA to facilitate the appraisal process.

iii. Approval Process

The recommended applications that have fulfilled all the laid down criteria shall be forwarded to the Management of the Central Bank of Nigeria for final approval

iv. Security to be offered by PBs

The following securities shall be offered:

- i. The security to be provided by PBs to BOI shall be a bank guarantee backed by a payment order for the PB's account to be debited by the CBN for any amount due should the PB default.
- ii. Legal agreement between BOI and PB for BOI to have the rights to realize security pledged by project promoters.
- iii. BOI to have lien on the project cash flows.
- iv. A deed of assignment of the assets of the project in favour of BOI