

**MINUTES OF MEETING ON ACCESS TO CREDIT  
ORGANIZED BY IMO STATE INVESTMENT PROMOTION AGENCY (ISIPA)  
FOR MSMEs, INVESTORS, COMMERCIAL BANKS, AND OWERRI CHAMBER OF  
COMMERCE, INDUSTRY, MINES, AND AGRICULTURE (OCCIMA)**

**Venue:** Ahiajoku International Conference Center, Owerri

**Date:** May 6, 2024

### **Agenda**

1. Processes and procedures for accessing credit by MSMEs, business owners, traders, and investors.
2. Creation of a forum for financial institutions to engage with finance seekers.

### **Attendance**

Representatives of commercial banks, All Farmers Association of Nigeria, Imo State Chamber of Commerce, Industry, Mines, and Agriculture, as well as other MSMEs and investors.

### **Meeting Proceedings**

The meeting commenced at 10:00 a.m., with the Director General (DG) of the Imo State Investment Promotion Agency welcoming all attendees. The DG emphasized the importance of finance in driving successful investments and highlighted the critical intermediary role of banks in ensuring accessible credit to support businesses and the state's economy.

### **Challenges Identified by MSMEs**

Representatives from various MSMEs presented the following challenges in accessing finance:

- a. Stringent loan requirements.
- b. Short loan tenors.
- c. Lengthy and strenuous processes.
- d. High-interest rates.

### **Challenges Identified by Financial Institutions**

Financial institutions highlighted the following issues in working with MSMEs and investors:

- a. Structural challenges in loan processing, including framework, process automation, and database issues.
- b. High non-performance rates of loans, with some banks reporting over 50% loan defaults by MSMEs in the state.
- c. Failure to meet collateral security requirements.

### **Bank Loan Requirement Checklist**

Financial institutions provided the following checklist for loan requirements:

- a. Maintenance of an account with the bank for 3–6 months.
- b. Defined loan purpose.
- c. Satisfactory turnover history.
- d. Adequate security or collateral.
- e. Know Your Customer (KYC) compliance.
- f. Special Purpose Vehicle (SPV) loans.
- g. Cooperative loans (check-off dues).
- h. Women credit facility (12% interest rate).
- i. Bank of Industry's N75 billion facility for 75 million MSMEs (on-lending facility).
- j. Pre- and post-shipment facilities through Letters of Credit (LC).

### **Resolutions**

The meeting resolved the following:

1. The state government should prioritize the MSME sector as a critical area for intervention, aiming to create an enabling environment for business growth in Imo State.
2. Commercial banks and financial institutions should simplify the processes for accessing credit.
3. MSMEs should maintain proper financial records.
4. MSMEs should seek credit with a clear and well-defined purpose.

### **Adjournment and Next Meeting**

The next meeting was scheduled for **December 20, 2024**, with the DG, ISIPA, tasked with facilitating the event.

### **Conclusion**

Participants, including financial institutions, MSMEs, and investors, agreed to collaborate closely to foster the economic growth and development of Imo State on a mutually beneficial basis.

### **Closing Remarks**

The Chairman of the Owerri Chamber of Commerce, Industry, Mines, and Agriculture (OCCIMA) delivered the closing remarks.

The meeting concluded at 3:00 p.m., with plans to reconvene on **21<sup>st</sup> Nov, 2024**.



**Recorder:**

Prisca Okoro

Director, Investment, ISIPA