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Friday, March 15, 2024

**Olayemi Cardoso**
The Governor,
Central Bank of Nigeria,
Plot 33, Abubakar Tafawa Balewa Way,
Central Business District,
Cadastral Zone,
Abuja,

Dear Sir,

**OPEN LETTER - RE: DONATION OF FERTILIZER VALUED AT MORE THAN N100 BILLION BY THE CENTRAL BANK OF NIGERIA.**

I was alarmed to see reports earlier this week of the Central Bank donating 2.15 million bags of fertilizer valued at over N100 billion to the Ministry of Agriculture and Food Security. In your own words at the handover ceremony, "this contribution from the Central Bank aims to amplify food production capabilities and foster price stabilization within the agricultural sector".

## Background

Nigeria, and most Nigerians, are presently grappling with runaway inflation that can be directly traced to a loss of focus, monetary discipline, independence and control by the Central Bank. Combined with its pursuit of costly and distracting interventionist policies that have so far proven to be of dubious value, these have led to a profound loss of credibility and confidence in the CBN and the crippling currency and cost-of-living crisis we are experiencing today.

Rather than providing an effective counterweight, the policies, actions and inactions of your immediate predecessor monetary authorities, served to amplify the damaging effects of mismanagement, indiscipline and corruption even where such may have emanated from the fiscal side.

## Questions and Concerns

1. Why is the new leadership of the CBN still pursuing such direct interventions in the real sector as donating bags of fertilizer, contrary to its indicated policy direction?

2. Why is the CBN playing a role that is the responsibility of other agencies of Government on the fiscal side.

3. For an initiative of this size that is arguably outside its core mandate, was this considered and approved by CBN's reconstituted Board?

4. What is the source and authorization for the N100bn used to fund this initiative? Is it from the internal resources of the CBN or appropriation from the public purse?

5. What evidence does the CBN have that spending massive sums procuring and handing over fertilizer to the Ministry will promote food price stability?

6. What public procurement processes were employed in purchasing the fertilizer to ensure transparency and value for money.

7. Does CBN have the capacity to monitor and ensure both effectiveness and probity in the use of these resources it is providing?

**Implications and Conclusion**

Effective Central Banking calls for measured communications and consistent actions that demonstrate focused and independent pursuit of a clearly defined core mandate. In this regard the CBN, under your leadership, should know that both its actions and its words will always speak loudly.

The CBN has a lot of work ahead of it to restore its credibility and rebuild local and international confidence. This fertilizer initiative and other similar real sector direct interventionist policies, as well as the publicity, ceremonies and speeches associated with them, are alarmingly reminiscent of an era of destructive Central Banking that we are fervently hoping is behind us. They should be studiously avoided by the CBN in future.

Yours faithfully,



Funso Doherty