

How Makinde's SAfER Loan For SMEs Is Stimulating Oyo State Economy

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Oyo State Governor, Engr. Seyi Makinde in his effort to expand the state economy, and to also address some of the challenges caused by the removal of the fuel subsidy and the high rate of exchange rolled out a relief package known as Sustainable Action For Economic Recovery (SAfER) at a low interest rate for small and micro enterprises across the state.

SAfER loan is an economic palliatives meant to assist the small entrepreneurs which are the pillars for small and micro enterprises, as well stimulate the state's economy.

Some of the managers of the state government partnered Micro Finance Banks for the SAfER loan. Visited by Saturday INDEPENDENT Newspaper reporter who was on a monitoring tour with the SAfER, the sub-committee members revealed that the programme is beyond political gimmick.

They also confirmed that the loan running into N500m was released in tranches to them by the state government with the order to disburse it to beneficiaries. They, however, maintained that the money has been disbursed to the beneficiaries who are mostly artisans, petty traders, corporate business owners among others.

Findings revealed that the beneficiaries of the SAfER loan across all the seven geo-political zones of the state have even commenced repayment of the loan after the three months' moratorium given to them by the state government.

Some of the beneficiaries that spoke with Saturday INDEPENDENT commended Governor Makinde over the initiative. They also lauded the state government over the seamless system of processing the loan, stressing that SAfER loan is not a political propaganda.

Speaking with the state's Commissioner for Budget and Economic Planning, who also doubles as the chairman of the SAfER Small and Medium Enterprises (SME) sub-committee, Professor Musibaudeen Babatunde, who led members of the sub-committee on a monitoring and evaluation visit to participating Microfinance Banks and some beneficiaries in Eruwa, Iseyin, Saki and Lanlate, Igbo Ora, explained that SAfER loan is part of Governor Makinde's effort in cushion the effect of the hardship induced by the removal of the fuel subsidy. He noted that the loan was introduced to support and boost small and micro businesses in the state. He noted that over 2,100 beneficiaries benefitted from this round of distribution.

Professor Musibaudeen said, "We are here to supervise the Microfinance Banks that are actually coordinating the Sustainable Action For Economic Recovery (SAfER), the SME pillars for the Small and Micro Enterprises which are the pillars of the SAfER programme instituted by the state governor, Engr Seyi Makinde.

"This is one of the efforts of this administration to address the hardship occasioned by the subsidy removal and the unification of the exchange rate. This has brought hardship to our people and Governor Seyi Makinde thought that we need to reflect the economy and bring about resources for small and micro enterprises for them to get their businesses running so that the general price level, price inflation, the challenges of exchange rate as well as the increase in the interest rate will actually not affect their day to day running of their businesses.

“Giving the level of the informality, the size of informal sector in Oyo State and it actually started sometimes in October phases 1, 2 and 3 and we felt it becomes necessary for us to come and look at them and if you look at the flexibility of this programme, you can see that it’s something that it’s very encouraging, single digit interest rate, three months moratorium and focusing on lower parts of the enterprises in Oyo State. It shows that Governor Makinde is actually taking the economic expansion of Oyo State in a very positive manner,” Babatunde said.

While speaking on his observations about the programme, the commissioner said, “this SAfER loan cut across all the 7- geo political zones in the state, from Ibadan main city and less city, Oyo, Ogbomoso, Oke Ogun 1 and 2, as well as Ibarapa zones. It has been quite encouraging because the people we’ve met on the field have actually been very happy that the resources given to them has helped them in their businesses in one way or the other. They’re looking for more, definitely there are so many applicants that are applying for the loan but we need to take this into consideration in our reports and table it before the Governor. Perhaps in the next phase of this program we can have additional resources so we can actually cater for more people.”

“The actual fact of this is that, a programme like this, people will always not take it seriously because it’s a government initiative but now they’re convinced to a large extent that the government is giving them the opportunity to be able to drive their businesses forward. The repayment period is coming up after the three moratoriums that the government has given them. They have commenced payment back and we can actually roll over from what they’re paying back and get more beneficiaries involved into this particular system. I’m very optimistic that the phase 2 of the programme is coming up because we have seen the success this particular one has actually recorded.” Babatunde said.

In his assessment, the Director General of Oyo State Investment and Public Private Agency (OYSIPPA), Mr Olatilewa Saheed Folami maintained that the Sustainable Action For Economic Recovery (SAfER) was approved by the state governor, Engr Seyi Makinde. He noted that SAfER loan programme is a very huge project with N5billion invested in it stressing that out of the money, N500m was dedicated to small and micro enterprises with loan amounts ranging from N50 to N1m with a single digit interest rate.

He said, “We have fully disbursed the whole N500million, we did two disbursements last year, one in October and another in December, so today we are in Saki West in Kadupe Microfinance Bank during the monitoring and evaluation and we have been speaking with the beneficiaries of the loan and from the conversations we had with the beneficiaries everybody feel much satisfied with the government program and they’re even asking government to do more,” Olatilewa said.

While speaking on the level of compliances of the beneficiaries, Mr Olatilewa said, “The citizens are complying and the banks are given us the confidence that all the money disbursed will be paid so that this programme can spread to all of our people in our various local communities.”

The beneficiaries of the loan expressed their satisfaction over the process. They, however, pleaded for more of such a laudable programme from the state government.

Mrs Iyabo Busari, a petty trader at Isa-lu Market Iseyin, who collected N200,000 SAfER loan to boost her trade said, “I’m so grateful to the state government. I’m selling yam flour and other cooking ingredients. Before I obtained the loan, I used to buy goods on credit but with this loan I was able to stock my shop with the money I collected and I’m doing well with it. I pray that God will continue to assist this government. I don’t know anybody before I was given the loan. I’m not a politician. I just

collected the form and fill it and I was so surprised that I was selected among the beneficiaries and have started paying back my money.”

Ayuba Balikis Olajumoke, a bead maker, who collected the sum of N250,000 SAfER loan said, “this money has really helped me as I don’t usually go to travel to buy market, but now have been traveling to get my shop stocked with needed items that will make my business move forward. I’m so grateful to our government. There is a lot of changes in my shop now compared to what it used to be before. I pray this programme continues. I have started paying back my loan. The interest on it is business friendly, it is very easy. It is so seamless to return and our bankers are so friendly as well. I was given a period of nine months to return the money.

“I heard about the loan on a radio programme and I went to the bank to collect the form and I was so surprised when I was called that I’m qualified for the loan. I’m into bead and makeup business and since I have collected the money, I’m doing well. There is no regrets from me so far,” Ayuba Balikis said.

Sanausi Shekinat, who collected the sum of N150,000 loan said, “This loan has been helping me a lot. I have used the money to invest in my business and it’s progressing and I have started paying back. I usually pay N21,500 back every month end and I will pay this for seven months. I’m so grateful for this opportunity. I equally plead for more of this program.”

Deborah Ojedian, a charcoal supplier in Lanlate, who collected the sum of N1m loan said “before the intervention of the government loan I was a master of this business for long period of time and I’m doing well but this loan has really helped me a lot. I used the loan to buy more charcoal. I collected N1m and it has really helped my business and it’s a thing of joy for me that the government supported my business. I collected it two months ago and honestly my business has increased a lot. The repayment plan of the loan is so easier because they asked us to be paying back every month end. The government should continue to help us with this kind of loan so we can continue to grow our businesses with it.”

Alhaji Suliamon Balelayo, a corporate business operator who deal with iron rods in Saki Town, said “I collected N1m SAfER loan from Kadupe Micro-finance Bank and I used the money to support my business. I have been doing this business for over thirty years and I’m doing well but the loan has also helped me more, it has boosted my business.

“The loan process was seamless; I don’t know any politicians to access this loan. I’m not even a politician but I got the loan. I have started paying back my money. They asked us to be paying on 29th of every month, but I do pay back on every 25th. The repayment plan was so easy and I advise people to please pay back their loan for other people to benefit from this loan. I was asked to pay back the money with a year and half, I really appreciate Governor Seyi Makinde for this kind of programme, it’s a very transparent programme and I really appreciate him for this,” Alhaji Suliamon said.

The managers of the Microfinance Banks handling the loan in a separate interview urged government to consider some of the applicants that were not captured in the loan.

Mr Afolabi Abiola, Managing Director of Ebedi Micro Finance Bank, Iseyin said, “Last year we received N70 Million from the state government through OY-SIPPA and we were able to disburse the money to about 230 beneficiaries. So as at now, we have received the repayment of the loan worth about N8.6million. We’ve been receiving feedback from the beneficiaries. Some of them have been

coming to tell us their stories on how the money has helped them in their businesses. The maximum loan for individuals is N250,000, while corporate organisation receive a maximum of N1m.

“The government still needs to do more because all the money didn’t go round all the applicants that requested for it. The money only catered for just 10% of the applicants. The process of the loan is so easy; there was no issue. The only issue we have now is that the money is not enough for all the applicants be-cause we have over 7,500 applicants and we were able to attend to just 230 bene-ficiaries. So, my advise to the state gov-ernment is that they should roll over this scheme so that the money can go round. As at today, the beneficiaries have start-ed paying back and we’ve received up to N8.6m,”Afolabi said.

Mr Abegunde Michael Olawale, the Managing Director of Kadupe Microf-inance Bank Saki, said “A lot of people have benefitted from the state govern-ment loan in our bank here. As at today, 400 beneficiares have accessed the loan.