



PRODUCT PAPER

ON

\$600,000.00 UNIDO/GEF Resource Efficiency and Cleaner Production (RECP) And Industrial Energy Efficiency (IEE) PRODUCT PAPER

February, 2023

**Executive Management Committee
BANK OF INDUSTRY LIMITED
23, MARINA, LAGOS.**

A. Market Opportunity and Overview of the Proposed New Product Offering

The United Nations Industrial Development Organization (UNIDO) and the Global Environment Facility (GEF) have partnered to promote Resource Efficiency and Cleaner Production (RECP) and industrial energy efficiency through their program. The program aims to assist developing countries and transition economies in improving their industrial energy efficiency, as well as promoting the adoption of cleaner production methods. This is done through a variety of activities, such as capacity building, technical assistance, and investment in clean technology. The program also supports the development of national and sectoral policies and regulations to promote energy efficiency and cleaner production. Overall, the program aims to reduce greenhouse gas emissions and improve the overall sustainability of industrial production in participating countries. The importance of energy resources to a country cannot be overemphasized considering its daily utilization and necessity for survival and for a healthy lifestyle. The amount of energy availability and its usage in a country determines its level of industrialization. Several household electrical appliances and other domestic equipment and machines, industrial production and processing machines, as well as vehicles all require energy in various forms be it solar, hydroelectric, biogas, gasoline, diesel etc., to function properly. However, owing to the sudden and exponential hike in the price of diesel coupled with the ever-increasing electricity tariff and the desire to limit the use of fossil fuels to achieve carbon emissions reduction, there have been several efforts to develop alternate means of power.

These and other related factors necessitated GEF & UNIDO's resolve to partner with Bank of Industry towards the setting up of a US\$600,000 UNIDO/GEF Resource Efficiency and Cleaner Production (RECP) and industrial Energy efficiency (IEE) fund. The \$600,000 will be disbursed to BOI as a quasi-grant, which the Bank shall retain and fall back on as a first loss credit guarantee from time to time.

The Project Objective of the Resource Efficiency and Cleaner Production (RECP) and Industrial Energy Efficiency (IEE) fund is to accelerate the adoption of and to improve enterprise environmental performance under the umbrella of best practices and innovative approaches within selected small and medium enterprises in Nigeria.

UNIDO has offered to allocate an initial US\$600,000 (including US\$,50,000 towards capacity building) to fund a 'First Loss Loan Guarantee Facility' to be established as a special dedicated BOI/IEE/RECP credit line to de-risk lending to eligible investments in energy efficient and cleaner production equipment.

The amount may be increased once a proof of concept is in place. This Guarantee Facility will provide assurances for loans to eligible investments by pilot enterprises under the Project that lack sufficient collateral, addressing the identified lack of collateral barrier. BOI will administer the Guarantee Facility, with an investment committee that will review and approve the loans.

The Bank of Industry Limited (BOI) will be a principal recipient of EnMS/ESO/RECP investment evaluation training with about \$50,000, out of the US\$600,000, earmarked by UNIDO for this capacity building. The capacity building is to enable BOI provide training and empower industries on how to access financial services necessary for their energy and resource efficient operations.

A Memorandum of Understanding between the Manufacturers Association of Nigeria and the Bank of Industry Limited in respect of GEF-UNIDO Industrial Energy Efficiency (IEE) and Resource Efficient Cleaner Production (RECP) GEF Agency Project has been executed.

In addition to providing alternative source of Energy to SMEs in the country, the fund is also designed to achieve the following strategic objectives: -

- To enhance the investment in industrial energy efficiency improvement and cleaner production within the relevant sub-sectors in the Nigerian industry.
- The Paris Agreement which Nigeria is a signatory to, aims to strengthen the global response to the threat of climate change by limiting the global temperature rise this century to below 2 degrees Celsius. BOI's action in this area will demonstrate its support towards curtailing climate change.
- BOI's involvement in Renewable energy will not only lead to establishment of new companies, employment generation and wealth creation, it will also ensure safety and security of the companies and the nation at large.
- This would be a means for BOI to establish a sustainable environmental footprint and create a new product focus to enable it drive the de-risking of the sub-sector and make it even more attractive to other investors and lenders.

B. Innovation Being Introduced

- The product would afford the opportunity for BOI to establish a sustainable environmental footprint and enable it drive the de-risking of the sub-sector, making it more attractive to other investors and lenders.
- The credit guarantee issued by UNIDO is innovative as it allows the Bank be more flexible regarding its Risk Assessment Criteria for beneficiaries under the scheme, while also ensuring that in the event of default, the Bank is able to recoup up to 50% of its investment.

C. Critical Success Factors

The success of the program shall be dependent on the following factors:

- The effect of the capacity building programs to be provided to the beneficiaries of the scheme.
- Quality of the items of equipment to be procured on behalf of the beneficiaries in line with the goal of the program.
- Quality appraisal of loan requests by the Bank.
- Effective monitoring of the beneficiaries by the Bank.

D. Sector Risks and Mitigants

*In the table below, describe each risk; rate the impact of the risk if realized and the likelihood that it will be realized [High (H), Medium (M) or Low (L)]; and describe possible risk mitigation measures.]

Table 1: Sector Risks and Mitigation Plans

Risk Description	Impact if Realized (H, M, L)	Probability of Realization (H, M, L)	Consequences	Potential Risk Elimination
Key Man Risk	H	M	<p>This is the likelihood that projects financed will suffer significant setback in the event of losing a key man.</p> <ul style="list-style-type: none"> This could lead to a failure in the implementation of projects 	<ul style="list-style-type: none"> Ensure the beneficiaries maintain Corporate Governance that ensures succession. Key man insurance on the chief promoter.
Operational Risk	H	M	<ul style="list-style-type: none"> This could lead to failure of processes, people and systems 	<ul style="list-style-type: none"> The Capacity building to be provided for the beneficiaries will help them improve their processes to ensure that the solution financed is sustainable.
Default Risk	H	M	Inability of the company to repay the loan.	Loan will be closely monitored. Remedial measures will be taken to restructure the loan where necessary. Otherwise, the facility will be recalled.
Reputational Risk	H	M	Damage the Bank's Image which might lead to loss of Businesses	Ensure adherence to strict Credit culture and Processes as well as proper understanding of the dynamics and requirements of the framework
Diversion of the Loan Proceeds through collusion with suppliers or submission of fake invoices	H	M	The purpose of the loans in terms of job creation and contribution to the nation economy would be defeated. Loan repayments from the business would either become impossible for start-ups or difficult for expansion projects	We would work with the established suppliers whose track records can be verified and comply with the facility disbursement process of the bank.

E. Key Stakeholders (Internal and External)

Roles and Responsibilities

The Bank will work with key partners to execute this programme:

UNIDO: UNIDO as the GEF implementing agency will be responsible for the overall supervision, monitoring, evaluation and implementation of the project, in accordance with the Project Document.

BOI: BOI is a development finance institution established to pursue the acceleration of the pace of enterprise expansion and industrialization in Nigeria, and the promotion of balanced economic development. BOI will provide monitoring oversight for all loan beneficiaries and to ensure efficient loan monitoring activities are deployed.

MAN: Manufacturers Association of Nigeria is established to provide a platform for private sector to formulate and articulate policy suggestions that would be complementary to government efforts at policy formulation. MAN would organize capacity building for BOI, facility application assessment committee and the investment committee project proposal appraisal in area of IEE/RECP.

FMITI: The Federal Ministry of Trade and Investment is Saddled with the responsibility of formulate policies that would help create wealth and help to diversify the resources by promoting trade and investment.

NIPC: Nigeria investment Promotion Commission is an agency of the federal Government of Nigeria established to encourage, promote and coordinate all investment in Nigeria.

CIBN: Chartered Institution of Bankers will provide Professional ethics and control the entry for the project.

F. Target customer segments and Customer Value Proposition

The target market includes direct beneficiaries of the funds as follows:

- i. Selected viable Micro, SMEs interested in deploying energy efficient solutions to their businesses such as the Energy Management System Equipment.
- ii. SMEs that are willing to deploy Resource Efficiency and Cleaner Production modular systems/technologies as pilots and/or demonstrations within the selected sectors. In particular, the Project will plan and support modular water efficiency systems /recycling systems in high usage industries (food processing, steel, pulp and paper, and/ or chemical) and industrial solid waste management systems.

Small and Medium sized manufacturing industries which use fossil fuel generators to

generate power. The substitution of petrol or diesel fuel meets the national development goals of Nigeria as it provides energy optimization and cleaner production technologies. The GEF grant will thus be used to cover the incremental cost of the environmentally friendly options which are relatively more expensive for the industries at the initiation and implementation stages

G. Proposed customer service channels and marketing strategy

- The program shall be marketed through BOI's usual channels, i.e. on its flagship programs, as well as all its social media platforms.
- The Manufacturers Association of Nigeria would also be involved in marketing the program to its members.

H. IT and Regulatory Requirements

- The Bank's banking applications such as Rubikon, Bonita, and other applications would be used at various stages of implementation of projects to be financed.

I. Environmental & Social Concerns

- The program would help transition the economy in improving their industrial energy efficiency, as well as promoting the adoption of cleaner production methods.
- The program aims to reduce greenhouse gas emissions and improve the overall sustainability of industrial production in the country.
- The program would also help the Bank strengthen its Environmental Sustainability Goal as all beneficiaries would have to adhere to all the Bank's ESG requirements.

J. Approximate Funding Requirements

Sample Funding Requirements/Program Limit *:

Program Limit ₦500 Million

K. Projected Impact

The Fund is expected to provide financial assistance for projects, programmes and activities directed at assisting companies in deploying energy efficient and optimized solutions to their businesses. It also seeks to introduce/improve Resource Efficiency and Cleaner Production in industrial applications spread across five sectors of,

- Textiles and Garment
- Steel and Metals
- Wood and Furniture
- Food and Beverage
- Petrochemicals

The fund is targeted towards financing operators in the sectors listed above within the following industrial zones of the country; Lagos, Ogun, Warri, Asaba, Onitsha, Aba, Port-Harcourt, Calabar, Kano, and Kaduna.

It is estimated that there shall be a total of about 200 beneficiaries under the scheme, which should result in employment generation of about 2,000 jobs.

L. Monitoring and Evaluation Metrics

FACTOR- What is being measure?	OBJECTIVE – What is the quantifiable goal?	INFORMATION – What information do we need to collect?	Other – Staff needed, other resources, time limitations, etc
Volume	Number of participants	Number of approved and disbursed loans	Project officers to track
Volume	Job creation/capacity development	Number of jobs each beneficiaries created as a result of getting the loan	Banks' performance management tools/Project Officers
Recalled guarantees	Number guarantees called by the Bank	Number of accounts that are classified	Project Officers to monitor beneficiaries

M. Product Features

- What is the product features/characteristics e.g. pricing, tenor, security, moratorium, processing Turn-around time, repayment, disbursement, loan monitoring activities etc.?

OBLIGOR LIMIT	Maximum of N50.0 million per obligor	
APPROVAL LIMIT	In line with the Bank's approval policy as follows.	
	Loan Amount (N)	Approving Authority
	≤ N5 million	CRO & DGM/GM
	> N5 million ≤ N10 million	CRO & Executive Director
	> N10 million ≤ N50 million	MICC & MD/CEO
PRICING	Interest Rate: 8% per annum. Processing Fee: 1% Commitment Fee: 0% Monitoring Fee: 0.125% Quarterly of the principal balance	
TENOR	Up to 4 years (inclusive of moratorium period).	
MORATORIUM	Maximum of twelve (12) months.	
SECURITY	Loan Amount: ≤ N5.0 million 1. Two (2) external guarantors acceptable to BOI who must belong to any of the following categories: a. Senior Civil Servant (Level 12 and above) who should not be more than 53 years old or not more than 28 years in service (whichever comes first). (Guarantee to be on the annual salary of the Guarantor).	

- b. Professionals i.e. Medical Doctors, Lawyers, Accountants, Engineers, etc. (Guarantee to be on the annual salary of the Guarantor).
- c. Senior Staff (not less than a manager) of reputable quoted Companies, International Oil Companies, Telecommunications Companies (GSM providers). (Guarantee to be on the annual salary of the Guarantor).
- d. Businessmen/Businesswomen acceptable to BOI (if Guarantor is High Net worth Individual (HNI), then the guarantee must be supported with Notarized Statement of Net worth acceptable to BOI).

- 2. 10% security deposit of the loan amount in a joint account with BOI Microfinance Bank.
- 3. Global Standing Instruction (GSI) to be executed by the Chief Promoter.
- 4. Credit Life Insurance on Chief Promoter.
- 5. Insurance of the financed items against burglary and theft, fire and any other hazards, with BOI noted as the first loss payee.

6. Specific Charge on all your existing and future items of equipment and stock in trade including but not limited to the financed items.

The Specific Charge shall be registered at the National Collateral Registry.

Loan Amount: > N5.0 Million ≤ N10.0 Million

- 7. Two (2) external guarantors acceptable to BOI who must belong to any of the following categories:

- a. Senior Civil Servant (Level 12 and above) who should not be more than 53 years old or not more than 28 years in service (whichever comes first). (Guarantee to be on the annual salary of the Guarantor).

- b. Professionals i.e. Medical Doctors, Lawyers, Accountants, Engineers, etc. (Guarantee to be on the annual salary of the Guarantor).

- c. Senior Staff (not less than a manager) of reputable quoted Companies, International Oil Companies, Telecommunications Companies (GSM providers). (Guarantee to be on the annual salary of the Guarantor).

Businessmen/Businesswomen acceptable to BOI (if Guarantor is High Net worth Individual (HNI), then the guarantee must be supported with

Notarized Statement of Net worth acceptable to BOI).

8. 10% security deposit of the loan amount in a joint account with BOI Microfinance Bank.

9. Irrevocable Personal Guarantee of the Chief Promoter (for Limited Liability Companies).

10. Credit Life Insurance on Chief Promoter.

11. Insurance of the financed items against burglary and theft, fire and any other hazards, with BOI noted as the first loss payee.

12. Global Standing Instruction (GSI) to be executed by the Chief Promoter.

13. Specific Charge on all your existing and future items of equipment and stock in trade including but not limited to the financed items.

The Specific Charge shall be registered at the National Collateral Registry.

Loan Amount: > N10.0 Million ≤ N50.0 Million

14. Specific charge over the equipment financed (if equipment financing).

15. Insurance of the financed items against burglary and theft, fire and any other hazards, with BOI noted as the first loss payee.

16. Irrevocable Personal Guarantee of the Chief Promoter of the company in addition to one or a combination of the following:

a. All assets debenture (to include other existing assets apart from the procured assets)

b. Legal mortgage on pledged property in State Capitals including cities where the pilot scheme shall be held i.e. Lagos, Ogun, Warri, Asaba, Onitsha, Aba, Port Harcourt, Calabar, Kano, Abuja and Kaduna.

The Fixed Asset Coverage must be between 2.0 and 2.5

All beneficiaries shall meet BOI's Environmental and Social Governance Risk Management requirements.

**FUNDING
STRUCTURE**

The funding structure for any project to be supported shall be as follows:

- i. Loan Amount of \leq N5 (at least 10% equity and 90% debt.)
- ii. Loan Amount of $> 5.0 \leq 10.0$ (at least 10% equity and 90% debt.)
- iii. Loan Amount of $> N10 \leq 50.0$ (at least 30% equity and 70% debt)
- iv.

	<p>Existing Business:</p> <p>For an existing project, the estimated value of the factory building and/or relevant processing equipment, may be applied against the borrower's equity contribution. The factory building and/or equipment must be valued professionally by any of BOI's accredited valuers</p>
LOAN PROCESSING TURN AROUND TIME	One Month from the date of submission of application provided all relevant documents are submitted. Processing of Loans > N10 million ≤ 50.0 million shall be done administratively and ratification obtained at MiCC meetings.
DISBURSEMENT	Applications shall be processed for approval through Bonita while disbursement shall be on the E-Availment Platform.
REPAYMENT SOURCE	From the proceeds of business financed (either directly from the Businesses or indirectly from the fund owners).
LOAN REPAYMENT MODE	Monthly/Quarterly direct remittance of the principal and interest sums due by the customer into BOI's designated account (in the case of a shortfall/default for a period of 90days or two quarters – for those with quarterly billing, deductions of the outstanding shall be made from the fund).

N. Recommendation

The Product Paper is hereby recommended for approval to enable BOI commence the implementation of the UNIDO/GEF Resource Efficiency and Cleaner Production (RECP) and Industrial Energy Efficiency (IEE) Product Paper in accordance with the approved implementation framework.

1. Product Program Summary

The Project will promote industrial energy efficiency and optimization, materials water and chemicals efficiency and cleaner production with a view to ensuring environmental sustainability, increased energy access and industrial financial improvements. The IEE and RECP methodologies will contribute to global efforts in alleviating cumulative negative impacts on earth's system caused by the use of natural resources for the production of goods and services.

2. Product cost & benefit

- The product will encourage manufacturers to embrace energy efficient processes and procedures in their businesses.
- The programme include capacity building for the beneficiaries, which

should help improve their knowledge in processes that can be adopted, which would result in energy efficiency.

3. Product program priorities

Project selection will be based on the following:

- Projects sponsored by applicants within the identified sectors and the identified locations.
- Projects that require either equipment for renewable energy and energy efficient solutions.
- Projects that display a strong ability of meeting their obligations from their cash flows.
- Projects that are capable of meeting the processed meat Risk Acceptance Criteria.

4. Eligibility criteria

The eligibility criteria for enterprise to access this programme is as follows:

1. Is the business a registered business?
 Yes No
2. Is there a suitable business premises for the operation of the company or enterprise?
 Yes No
3. Is the business to be financed within any of the industrialised Zones where the pilot programme shall be held?
Yes No
4. Is the business to be financed within any of the identified Sectors?
 Yes No
5. Is there a revenue collection mechanism available to ensure monthly payment for the solution?
 Yes No
6. Does the Project to be financed require either equipment for renewable energy and energy efficient solutions, resource Efficiency and Cleaner Production modular systems/technologies or resource efficiency methodologies which will lead to further Greenhouse Gas (GHG) emission reductions?
 Yes No

Every applicant must answer 'YES' to the above stated eligibility criteria questions before progressing the application to the next stage.

5. Risk Acceptance Criteria

- Applicants shall be required to meet the following criteria:
- Is it an existing business? Yes No
- If no, does the proprietor or key employees have requisite experience to run the business? Yes No
- Has a credible equipment supplier been identified? Yes No
- Is the equipment cost within the Product Paper limit? Yes No
- If no, is the company able to make additional equity contribution for the difference?
- Does the company have a standard factory building designed to accommodate the equipment to be procured?
 Yes No

6. Approximate funding requirements

- The Bank would have a funding limit of N500 Million (Five Hundred Million Naira Only)
- There shall be a single obligor limit of N50 Million for the beneficiaries.

7. PARTIES TO THE FUND

- Who are the parties to the fund?

- Bank of Industry Limited
- UNIDO/GEF
- Project Investment Committee - PIC
- Manufacturers Association of Nigeria
- Beneficiaries

8. RESPONSIBILITIES OF THE PARTIES

Bank of Industry

1. Appraise and disburse credit facilities in alignment with internal credit policy and in close partnership with the PMU.
2. Ensure all necessary documentation, legal and collateral checks are in place.
3. Monitor the performance of credit facilities that have been disbursed under the program and render quarterly reports on the performance of the FUND to the PMU.
4. Debt recovery process in accordance with the internal policies and agreeable process within the framework.

Project Investment Committee – PIC

1. Provide oversight function as required on activities of the Finance team domiciled at BOI
2. Meet on a regular basis to review progress made on applications submitted by industries
3. Review submission of finance team on received applications
4. Concur on the Approvals of applications and recommend companies to benefit from the guarantee facilities
5. Any other responsibility that might be agreed with UNIDO/GEF from time to time.

Manufacturers Association of Nigeria (MAN)

1. Sensitize their Members on the availability of the Fund
2. Identify and Register New Beneficiaries
3. Advocate for additional Funds from GEF

Beneficiaries

1. The Beneficiaries shall provide the required Equity Contribution as well as other security arrangements
2. The Beneficiaries shall operate and manage the project from the point of disbursement through operation of the project and ultimate repayment of the loan.

9. Loan application process

The applications to be considered shall be either from the Manufacturers Association of Nigeria (MAN)/Project Investment Committee(PIC), referral, and or walk-in customers on a case by case basis.

10. Loan collection process

Loans shall be repaid by the beneficiaries through any of several channels provided by the Bank

11. MODALITIES FOR ACTIVATION OF FIRST LOSS CLAUSE

The activation of the first loss clause shall commence upon default in customer's repayment of outstanding obligation for a maximum of 3 months or a quarter.

Upon default of a facility, the Bank shall recover 50% of the principal sum from the fund. However, the Bank shall continue to pursue recovery of the total facility using its existing recovery methodologies. Any amount recovered from the customer shall be used to settle BOI first, after which, the balance shall be returned to the fund.

12. INTERNAL ACCOUNTING PROCEDURE FOR THE RECALL OF GUARANTEE

S/No	Description	DR	CR	Remarks
1	Bank	xx		Being the receipt of the fund from UNIIDO
	UNIIDO Guarantee		xx	
2	UNIIDO Guarantee Investment	xx		Being investing the fund for income yield and growth
	Bank		xx	
3	Uniido Guarantee Disbursement	xx		Being recording of utilization under the guarantee scheme
	Customer		xx	

13. Loan agreement/Legal documentation

For each beneficiary, this shall include, but not be limited to, the following:

- CAC documents
- Valid national ID
- Submission of Notarized network of guarantors or title documents
- Executed offer letter and loan agreement

14. Conditions precedent to drawdown

This shall include, but not be limited to, the following:

- Executed loan offer
- Payment of all fees
- Executed loan agreement
- Submission of all post-approval documents

15. Risks and Mitigants

Risk Description	Impact if Realized (H, M, L)	Probability of Realization (H, M, L)	Consequences	Potential Risk Elimination
Key Man Risk	H	M	<p>This is the likelihood that projects financed will suffer significant setback in the event of losing a key man.</p> <ul style="list-style-type: none"> • This could lead to a failure in the implementation of projects 	<ul style="list-style-type: none"> • Ensure the beneficiaries maintain Corporate Governance that ensures succession. • Key man insurance on the chief promoter.
Operational Risk	H	M	<ul style="list-style-type: none"> • This could lead to failure of processes, people and systems 	<ul style="list-style-type: none"> • The Capacity building to be provided for the beneficiaries will help them improve their processes to ensure that the solution financed is sustainable.
Default Risk	H	M	Inability of the company to repay the loan.	Loan will be closely monitored. Remedial measures will be taken to restructure the loan where necessary. Otherwise, the facility will be recalled.
Reputational Risk	H	M	Damage the Bank's Image which might lead to loss of Businesses	Ensure adherence to strict Credit culture and Processes as well as proper understanding of the dynamics and requirements of the framework
Diversion of the Loan	H	M	The purpose of the loans in	We would work with the established suppliers whose track records can be verified and

Proceeds through collusion with suppliers or submission of fake invoices			terms of job creation and contribution to the nation economy would be defeated. Loan repayments from the business would either become impossible for start-ups or difficult for expansion projects	comply with the facility disbursement process of the bank.
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16. Transaction dynamics

- i. Submission of formal application for loan and supporting documents.
- ii. Review of application for completeness.
- iii. Open project file for customer.
- iv. Prospects shall satisfy the pre-appraisal conditions, Conduct KYC processes on applicant.
- v. Request Legal Division to conduct corporate search on customer
- vi. Request RMD to conduct a credit Bureau/ FEP& PEP Search
- vii. Prepare Credit appraisal report and forward to the state manager.
- viii. Review credit Appraisal Report and forward to CERG
- ix. Review CAR on the Workflow.
- x. Present CAR to relevant approving authority (MiCC/CRO/ED-SME).
- xi. Loan Approved: loan offer made to customer and offer accepted by customer.
- xii. Completion of other security documentation and fulfilling other conditions.
- xiii. Initiation and approval of Availment ticket
- xiv. Disbursement of loan to supplier/customer.
- xv. BOI to send Amortisation plan to customer.
- xvi. Repayment from the proceeds of business finance (Businesses or indirectly from fund owner).
- xvii. Monthly/ Quarterly direct remittance of the principal and interest sums due by the customer into BOI's designated account (in the case of a shortfall/default for a period of 180days, deductions of the outstanding shall be made from the fund)

17. LOAN MONITORING RESPONSIBILITIES

ISSUE	ACTION	RESPONSIBILITY
Repayment	<ul style="list-style-type: none"> • Periodic visits to the project. • Give the customer a written reminder not later than one week from instalment date. • Give the customer a subtle reminder through a telephone call or visit a week before maturity 	<ul style="list-style-type: none"> • Project Officer/State Manager/PMU
Customer's default	<ul style="list-style-type: none"> • Give the customer a phone call within 24hours/ one (1) day of default seeking to confirm the status of repayment. • Visit the customer within 7 days of default to review the status of the facility and discuss possibility of work-out where necessary. • Give a status report to the RMD within two (2) weeks of default with a copy to PMU. 	<ul style="list-style-type: none"> • Project Officer/State Officer/PMU
	<ul style="list-style-type: none"> • Present a proposal for remedial action within a month of default 	<ul style="list-style-type: none"> • Project Officer/State Officer/PMU.
	<ul style="list-style-type: none"> • Recover facility within three (3) months of default or foreclose on customer. 	<ul style="list-style-type: none"> • Regional Head, RMD, Project Officer/State Officer & Legal Division/PMU.

18. Recommendation

The Product Paper is hereby recommended for approval to enable BOI commence the implementation of the UNIDO/GEF Resource Efficiency and Cleaner Production (RECP) and Industrial Energy Efficiency (IEE) Product Paper in accordance with the approved implementation framework.

PREPARED BY:	Regional Managers SME - Directorate
SUPERVISED BY:	Osah Obaro Deputy GM (SME-South East & South South)
RECOMMENDED BY:	PRODUCT DEVELOPMENT COMMITTEE
CONCURRED BY:	PRODUCT DEVELOPMENT COMMITTEE
APPROVED BY:	Executive Management Committee (EMC)