



OYO STATE INVESTMENT PROMOTION & PUBLIC PRIVATE PARTNERSHIP AGENCY (OYSIPA)

OYO STATE INVESTMENT AND PUBLIC-PRIVATE PARTNERSHIP AGENCY (OYSIPA): INVESTORS' GUIDE TO ACCESSING CREDIT

1. Introduction

The Oyo State Investment and Public-Private Partnership Agency (OYSIPA) is dedicated to fostering economic growth and development in Oyo State, Nigeria, by facilitating investment opportunities and public-private partnerships. OYSIPPA is the Special Purpose Vehicle (SPV) to drive investment revolution in the state. One of the key services offered by OYSIPA is assisting investors in accessing credit facilities to support and expand their businesses within the state. This guide provides a comprehensive overview of how investors can access credit through OYSIPA's programs and partnerships.

2. Understanding OYSIPA's Role

OYSIPA acts as a liaison between investors and financial institutions, offering support throughout the credit application process. The agency's primary role is to ensure that investors can secure the necessary funding to develop projects that contribute to the economic advancement of Oyo State. By leveraging its network and expertise, OYSIPA helps investors navigate the complexities of the credit landscape.

Objectives:

Investors interested in accessing credit through OYSIPA are encouraged to contact the agency for more detailed information and personalized assistance tailored to their specific investment needs.

3. Eligibility Criteria for Investors

To be eligible for credit facilitation through OYSIPA, investors must meet specific criteria:

- **Registered Entity:** The investor's business must be a legally registered entity in Nigeria, preferably with the Corporate Affairs Commission (CAC).

- **Project Location:** The proposed investment project must be located within Oyo State.
- **Feasibility Study:** A detailed feasibility study and business plan must be provided, demonstrating the viability and potential impact of the project.
- **Financial Statements:** Investors should submit audited financial statements for at least the past three years (if available).
- **Collateral or Guarantees:** Depending on the loan type, investors may be required to provide collateral or guarantees. This could include real estate, machinery, or other significant assets.

4. Types of Credit Available

Investors can access various types of credit through OYSIPA’s facilitation, tailored to their specific needs and project requirements:

- **Project Financing:** Long-term financing for large-scale infrastructure and development projects, often structured with extended repayment periods.
- **Equity Financing:** OYSIPA can facilitate equity investment arrangements where investors exchange ownership stakes for capital.
- **Venture Capital:** For startups and high-growth companies, venture capital options may be available, with OYSIPA acting as a connector to potential investors.
- **Bridge Loans:** Short-term loans designed to provide temporary financing until longer-term solutions are secured.

5. The Application Process

Accessing credit through OYSIPA involves a structured application process designed to ensure transparency and efficiency:

1. **Preliminary Consultation:** Investors initiate contact with OYSIPA to discuss their project and funding needs. During this stage, OYSIPA provides guidance on the most suitable financing options.
2. **Documentation Submission:** Investors are required to submit all necessary documentation, including the business plan, feasibility study, financial statements, and collateral details.
3. **Evaluation and Due Diligence:** OYSIPA conducts a thorough evaluation of the project, including due diligence on the investor and the proposed investment. This step assesses the potential economic impact, sustainability, and risk factors.
4. **Engagement with Financial Institutions:** OYSIPA collaborates with partner banks and financial institutions to facilitate the credit process. The agency may assist in securing favorable terms for the investor.

5. **Approval and Disbursement:** Once the application is approved, funds are disbursed according to the agreed terms, either directly through the financial institution or coordinated by OYSIPA.

6. Interest Rates and Repayment Terms

Interest rates and repayment terms are determined by the financial institutions involved but are influenced by OYSIPA's negotiations. Typically, these rates are competitive with market standards, with terms that reflect the nature of the investment project. OYSIPA ensures that the repayment schedule aligns with the project's cash flow and development timelines, minimizing financial strain on the investor.

7. Post-Funding Support

OYSIPA offers continuous support to investors even after the disbursement of funds:

- **Monitoring and Evaluation:** OYSIPA monitors the progress of the funded projects, ensuring that the funds are utilized effectively and that the project remains on track.
- **Advisory Services:** Investors can access ongoing advisory services to address any challenges or adjustments needed during project execution.
- **Networking and Partnerships:** OYSIPA facilitates connections with local partners, government agencies, and other stakeholders that may contribute to the success of the project.

8. Key Considerations for Investors

Investors should be aware of the following considerations when accessing credit through OYSIPA:

- **Collateral Requirements:** The availability and valuation of collateral are crucial, especially for large-scale projects.
- **Regulatory Compliance:** Investors must ensure compliance with all relevant regulations and obtain necessary permits and approvals for their projects.
- **Economic Conditions:** Market and economic conditions can influence interest rates and the availability of credit, so investors should plan accordingly.

9. Conclusion

OYSIPA is committed to supporting investors in accessing the credit necessary to fund projects that drive economic development in Oyo State. By following this guide and leveraging

OYSIPA's resources, investors can navigate the credit process more effectively, ensuring the successful implementation of their projects.

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Folami Said Olatilewa
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