



Research Paper

Role of Development Finance Institutions in Developing the Nigerian Agricultural Sector

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ABSTRACT

This study explores the contribution of Development Finance Institutions (DFIs) to agricultural sector development in Nigeria. The African Development Bank (AfDB), World Bank, and International Development Association (IDA) were identified as the key DFIs, while agricultural value added was used as the measure for sector development. Data for these variables was gathered from the World Development Indicators (WDI) and analyzed using the error correction mechanism (ECM). The unit root test showed that all variables were non-stationary but became stationary after first differencing, indicating they were integrated of order one. The co-integration test confirmed the existence of a long-run relationship between the variables. The results showed that both the first and second lags of agricultural value added had a negative impact on its current value, while the one-period lag of AfDB loans had a significant positive effect. Specifically, the increase in the lag of AfDB loans resulted in rise in agricultural value added. Additionally, the lagged values of World Bank and IDA loans showed a significant negative impact on agricultural value added. The study recommends that policymakers prioritize AfDB loans for productive sectors, especially agriculture, to support economic development. Similarly, to ensure that DFIs reach more farmers, they must streamline their loan application processes, reduce bureaucracy, and introduce more flexible loan terms. A more efficient disbursement process will increase accessibility and enable farmers to act quickly on opportunities

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INTRODUCTION

The significant role of Development Finance Institutions (DFIs) in promoting the development of the real sector has gained worldwide recognition. The origins of DFIs can be traced back to the aftermath of World War II, when efforts were made to establish frameworks for international collaboration in managing the global financial system. It is important to note the distinction between DFIs and other components of the Global Financial Safety Nets (GFSN). This distinction stems from the widely accepted belief that DFIs provide long-term and very long-term financing, alongside programs aimed at building the capacity of Small and Medium Enterprises (SMEs). The credit needs of SMEs are typically met by existing Deposit Money Banks (DMBs) or domestic capital markets. As a result, DFIs play a crucial role in driving growth and development in essential sectors of the economy, such as agriculture, manufacturing, and infrastructure, among others. Adegeye (2022) argue that the relationship between finance and development has been the subject of considerable ambiguity and debate. This is largely due to the lack of a clear theoretical and empirical framework to address the complexities of the finance-development link (Fankun, & Egbuonmwam, 2017; Granger, 2021; Kehinde, 2022). On a broader scale, DFIs are viewed as key enablers of growth and development in developing countries through their investments in the private sector. The financial support provided by DFIs to these economies is intended to supplement the market's contribution, thereby stimulating additional investments throughout the economy. Obilor (2023) and Ijaiya, et. al, (2027) assert that DFIs play a more significant role in fostering development in low-income countries than in wealthier nations. This can be attributed to both theoretical foundations and empirical evidence from earlier studies, which highlight DFIs as vital drivers of economic and social progress. These institutions ensure the availability of long-term and very long-term financing, as well as grants, to support private sector investments. Despite the increase in financial resources flowing into Nigeria from DFIs, there has been ongoing debate regarding the impact of these resources on development, particularly in the agricultural sector. Some argue that DFIs have contributed to real sector development by providing funding for investments in underdeveloped areas, taking risks in pioneering ventures, and creating sustainable sources of income. Others, however, believe that the funds provided by DFIs are insufficient to promote significant growth and development in the real sector. As a result, there has been a growing body of discussion and empirical research surrounding the finance-development relationship. Given this context, the aim of this study is to assess the role of DFIs in the development of Nigeria's agricultural sector from 1990 to 2023 Central bank of Nigeria (2014).

REVIEW OF RELATED LITERATURE

The Nigerian Agricultural Sector

The agricultural sector plays a pivotal role in the economic development of Nigeria. Agriculture contributes to the country's GDP, supports employment for a large proportion of the population, and provides raw materials for various industries. However, despite the sector's potential, it faces several challenges such as inadequate infrastructure, low access to modern agricultural technology, poor financing mechanisms, and inadequate policies (Fintan & Lema 2018; Gollin, 2022).

Impact of DFIs on the Agricultural Sector in Nigeria

Development Finance Institutions (DFIs) play a critical role in addressing these challenges by providing necessary financial resources and promoting sustainable development in the agricultural sector. DFIs are institutions created to promote economic development through the provision of financial assistance, particularly in sectors that face significant funding gaps, such as agriculture. In Nigeria, these institutions include entities such as the Bank of Agriculture (BOA), the Nigerian Agricultural Credit Guarantee Scheme Fund (ACGSF), and the Central Bank of Nigeria's (CBN) Anchor Borrowers Program (Nwosu et al. 2020). Development Finance Institutions (DFIs) are established with the purpose of providing financial services to sectors that face challenges accessing regular commercial credit. DFIs typically offer long-term loans, grants, and guarantees, as well as technical assistance and advisory services. In the context of agriculture, DFIs focus on improving agricultural productivity, food security, and rural development by providing farmers with the financial means to invest in productive assets, adopt modern technology, and expand their businesses (Agbaeze & Onwuka 2023; Anthony, 2024). The availability of financing in agriculture is crucial for improving productivity and modernizing farming practices. DFIs such as the Bank of Agriculture (BOA) provide affordable loans to farmers for purchasing equipment, seeds, and fertilizers, and for implementing irrigation and mechanization projects. Apart from financial assistance, DFIs are also involved in capacity building and technical assistance. They offer training programs for farmers on modern farming techniques, farm management, and financial literacy, which is crucial for improving the overall productivity and sustainability of farming activities (Musa & Abalis 2019; Nnamdi & Torbira2015). DFIs also focus on promoting environmentally sustainable agricultural practices. In Nigeria, some DFIs have incorporated environmental sustainability into their projects by financing the adoption of climate-smart agriculture practices, organic farming, and agroforestry.

According to Ijaiya (2023) and Obansa (2023) the activities of DFIs in Nigeria's agricultural sector have yielded notable impacts, although challenges remain. DFIs have played a critical role in bridging the financing gap for farmers who are otherwise unable to access credit from commercial banks. Studies show that DFIs have enabled smallholder farmers to access low-interest loans, contributing to increased productivity and income. Through financing and capacity-building programs, DFIs have supported the adoption of modern agricultural technologies, such as mechanization, irrigation, and improved seed varieties. This technological shift has helped improve yields and efficiency in farming. DFIs contribute to rural development by financing agriculture-related businesses and enterprises, which in turn create employment and reduce rural poverty. These institutions provide access to financial resources for processing agricultural products, which adds value to raw agricultural produce, thereby increasing the income of farmers. DFIs have also promoted agricultural diversification by financing various sub-sectors within agriculture, such as livestock, fisheries, and agro-processing. This diversification reduces dependency on a single commodity and enhances the resilience of the agricultural sector (Agbada, 2015; Michael, 2016; Nwankwo, 2023).

Development Finance Institutions in Nigeria

Several DFIs in Nigeria play a critical role in developing the agricultural sector. According to Nwakanma et. al, (2014) they include:

Bank of Agriculture (BOA)

The Bank of Agriculture (BOA) is one of Nigeria's primary DFIs in agriculture, providing credit facilities for smallholder farmers, agribusinesses, and rural enterprises. It offers various loan products with affordable interest rates and flexible repayment terms. The BOA's loan schemes target key agricultural sectors such as crop production, livestock, fisheries, and agro-processing.

Nigerian Agricultural Credit Guarantee Scheme Fund

Established by the Federal Government, the Nigerian Agricultural Credit Guarantee Scheme Fund (ACGSF) aims to provide guarantees to lending institutions against default by farmers, thereby encouraging banks to provide loans to the agricultural sector. ACGSF guarantees loans to small and medium-sized enterprises (SMEs) in agriculture.

Central Bank of Nigeria's (CBN) Anchor Borrowers Programme

The Anchor Borrowers Program, initiated by the Central Bank of Nigeria (CBN), is a significant initiative aimed at promoting agricultural productivity by providing financial support to smallholder farmers. The program links farmers with reputable off-takers (anchor companies) that provide them with inputs such as seeds and fertilizers, while the farmers repay the loans after harvesting.

Challenges Faced by DFIs in Nigeria

Despite their contributions, DFIs in Nigeria face several challenges that hinder their full potential in transforming the agricultural sector. While DFIs play a significant role in financing agriculture, there are often limitations in the available funds. Some DFIs struggle to raise sufficient capital to meet the increasing demand for agricultural loans. Limited funds restrict their ability to support larger-scale agricultural projects. According to Okosodo (2016) and Okunlola et. al (2019) the agricultural sector is highly vulnerable to risks such as climate change, pests, and diseases, which contribute to high default rates on loans. This risk makes it challenging for DFIs to maintain a sustainable lending model, especially for smallholder farmers who are already financially unstable (Adetiloye, 2021; Egwu, 2016; Olatunji et. al, 2018; Omosebi & Aladejana 2016). The processes involved in accessing loans from DFIs can be bureaucratic and time-consuming, which discourages farmers from applying for financial assistance. Long approval timelines and the complexity of loan conditions often undermine the efficiency of DFIs in disbursing funds to farmers. In many rural areas, where DFIs primarily focus their efforts, there is a lack of necessary infrastructure, such as roads, electricity, and storage facilities, which hampers agricultural development. Without the proper infrastructure, it is difficult for farmers to realize the full benefits of financial support.

Empirical Literature Review

The role of Development Finance Institutions (DFIs) in supporting real sector development has been the subject of numerous empirical studies. The findings from these studies have varied over time. For example, Orok and Ayim (2017) explored the interconnection between financial development and real sector output and its impact on economic growth. They used panel data from 101 developed and developing countries over the period from 1970 to 2010. The study aimed to demonstrate that the effect of financial development on economic growth depended on the growth of private credit in relation to real output growth. Their results revealed that if significant increases in private credit were not accompanied by growth in real output,

the effect of financial development on growth turned negative. The study concluded that the positive impact of finance on growth is maximized when both the financial and real sectors grow at a balanced pace. Rapid financial development without corresponding real sector expansion diminishes its positive impact on growth, and this effect can become negative if financial development outpaces real output growth. Odetola and Etumnu (2023) investigated the relationship between the financial and real sectors in Thailand, focusing on how financial market development influenced GDP volatility. They employed the GARCH model, Odoemenem and Obinne (2020) co-integration test, Vector Error Correction Model (VECM), and Granger causality testing on time series data from the first quarter of 1993 to the second quarter of 2017. Consistent with prior studies, they found that both capital markets (bonds and stock markets) and the money market (bank credit to the private sector) had a positive relationship with GDP. The results suggested that both markets contribute to economic growth and that there is an interdependency between the technologies of the real and financial sectors, highlighting the impact of financial market development on GDP growth.

Ali et al. (2016) examined financial sector development and manufacturing performance in Nigeria from 1981 to 2015. The study used indicators such as manufacturing capacity utilization, manufacturing output, and value-added manufacturing to measure performance, while financial development proxies included money supply as a percentage of GDP, domestic lending to the private sector, and liquidity ratio. Using co-integration and error correction models (ECM) for analysis, the study found that credit to the private sector and money supply positively but insignificantly affected capacity utilization and output, while negatively influencing manufacturing value added in the short term. However, in the long run, both money supply and credit to the private sector had a positive impact on manufacturing output. The study recommended that banks allocate a portion of their profits to industrial expansion to create stronger links between the financial and real sectors. Beck and Demircuc-Kunt (2021) researched the effect of financial sector development on manufacturing output growth in Nigeria. The study applied Vector Auto-regression (VAR) analysis to test whether financial sector variables stimulated manufacturing output growth in Nigeria by interacting with key macroeconomic variables between 1986 and 2012. They also employed unit root and Johansen co-integration tests to assess macroeconomic data behavior. The findings suggested that relaxing constraints on financial development and deepening the financial sector are essential for boosting Nigeria's manufacturing output growth. Adejumo and Omonona (2017) analyzed the impact of loans from international financial institutions on Nigeria's economic performance. They included loans from the London Club, Paris Club, Multilateral Club, and promissory notes as explanatory variables, while economic growth, measured by gross domestic product, was the dependent variable. The data used for the analysis covered the period from 1969 to 2011 and was sourced from the Central Bank of Nigeria's Statistical Bulletin. The study applied the Vector Error Correction Model (VECM) approach. The results showed that loans from the London Club positively impacted economic growth, while loans from the Paris Club, Multilateral Club, and promissory notes negatively affected Nigeria's growth during the sampled period.

Underpinning Theory

The underpinning theory of this study is the financial intermediation theory. The theory which was developed by Goldsmith (1969), McKinnon (1973), and Shaw (1973), emphasizes the central role of financial markets in driving economic development. These scholars attribute differences in economic growth across countries to the availability and quality of financial services. In contrast, Robinson (1952) argued that financial markets are essentially a response to the needs of domestic industries. According to Goldsmith (1969), financial development positively correlates with higher levels of per capita Gross National Product (GNP) as it encourages efficient use of capital. Shaw (1973) proposed that financial liberalization and development stimulate investment by increasing the supply of credit and saving incentives. Schumpeter further emphasized that financial institutions, by providing loans, enable the implementation of innovative ideas that drive economic growth.

METHODOLOGY

Research Design

This study employs an ex-post facto research design, as the data for all variables is already available and cannot be manipulated. The Error Correction Mechanism (ECM) was used to estimate both the speed of adjustment and the short-run dynamic coefficients, following the confirmation of co-integration among the variables being studied. Additionally, various diagnostic tests, including the unit root test, co-integration test, and tests for serial correlation, were conducted. Specifically, the Augmented Dickey-Fuller and Phillips-Perron tests were employed for

the unit root test, while the co-integration test procedure introduced by Johansen and Juselius (1990) was used to assess whether the variables share a long-term relationship. A multivariate model was used to analyze the impact of DFIs' development financing on agricultural value added in Nigeria. Agricultural value added serves as the dependent variable, while concessional loans from AfDB, World Bank, and IDA are treated as exogenous variables. The model is expressed as:

$$AGV = f(ADL, WBL, IDA) (1)$$

Where:

AGV = Agriculture value added

ADL = AfDB loan WBL = World Bank loan

IDA = International Development Association credits

The dynamic specification of the ECM is provided as follows:

$$\Delta \text{Log}(AGV) = \alpha_0 + \sum \theta_1 \Delta \text{Log}(AGV)_{t-1} + \sum \theta_2 \Delta \text{Log}(ADL)_{t-1} + \sum \theta_3 \Delta \text{Log}(WBL)_{t-1} + \sum \theta_4 \Delta \text{Log}(IDA)_{t-1} + \phi \text{ECM}_{t-1} + \epsilon_{it}$$

Where:

Δ \Delta = first difference

α_0 \alpha_0 = constant parameter

$\theta_1 - \theta_4$ = dynamic coefficients of the explanatory variables

ECM = Error correction mechanism lagged for one period

ϕ = error correction coefficient which measures the speed of adjustment

RESULTS AND DISCUSSION

The descriptive statistics for each of the variables in the model are showed in Table 1.

Table 1: Descriptive statistics for the variables in the model

| | AGV | ADL | WBL | IDA |
|--------------|-----------|----------|----------|----------|
| Mean | 4.12+320 | 10409843 | 1.95E+09 | 10473903 |
| Median | 2.36+ 970 | 11432812 | 2.03E+09 | 1196000. |
| Maximum | 8.53+210 | 50342720 | 3.92E+09 | 77287000 |
| Minimum | 1.64+610 | 1762.000 | 6956000 | 399000.0 |
| Std. Dev. | 2.87+340 | 16329810 | 1.15E+08 | 16514859 |
| Observations | 35 | 35 | 35 | 35 |

Source: Source: Authors' computation from E-views 10

The descriptive statistics show that the average agriculture value added was US\$41,200,000,000. The data also indicated that the mean values of loans from the AfDB and World Bank were US\$10,409,843 and US\$195,000,000, respectively, while loans from the IDA averaged US\$10,473,903. The results clearly indicate that, on average, agriculture value added remained substantial throughout the study period. Additionally, the findings suggest that the key development finance institutions have consistently been a major source of funding for the Nigerian economy over the past 35 years. The standard deviation analysis further revealed that the value added in agriculture and manufacturing, along with World Bank loans, are converging toward their respective mean values. In contrast, AfDB and IDA loans show greater divergence from their mean values, likely due to their higher standard deviations. This finding is in line with the findings of Adetiloye Agunuwa (2021) and et. al, Agunuwa (2015)

Unit Root Test

The unit root test was conducted using ADF method. The results are reported in Table 2.

Table 2: ADF unit root test results

| Variable | Results at levels | 1 st difference test results | Order of integration |
|----------|-------------------|------------------------------|----------------------|
| | t-statistic | t-statistic | |
| LOG(AGV) | -1.783 (0.527) | 5.653 (0.000) | I (1) |
| LOG(ADL) | -4.1476 (0.126) | -7.437 (0.000) | I (1) |
| LOG(WBL) | -1.529 (0.761) | -5.829 (0.000) | I (1) |
| LOG(IDA) | -2.437 (0.452) | -7.241 (0.000) | I (1) |

Source: Authors' computation from E-views 10

The results from the ADF unit root test indicated that none of the variables are stationary at their original levels, as the probability values associated with the t-statistics exceed 0.05. This suggests that all variables have a unit root and need to be transformed in order to achieve stationarity. As a result, the null hypothesis of a unit root in the series is accepted. The presence of a unit root in the variables is consistent with common characteristics of time series data, which often display nonstationary behavior. Given this nonstationary nature, the variables were differenced once and found to be stationary. Therefore, all the variables are integrated of order one, I (1).

Co-integration Test Results

The results of the Johansen-Juselius co-integration test are reported in Table 3.

Table 3: Co-integration test result

| Series: LOG(AGV) LOG(ADL) LOG(WBL) | | | | |
|------------------------------------|------------|---------------------|---------------------|---------|
| LOG(IDA) | | | | |
| Hypothesized No. of CE(s) | Eigenvalue | Trace Statistic | 0.05 Critical Value | Prob.** |
| None * | 0.827492 | 86.12976 | 47.76433 | 0.0035 |
| At most 1 * | 0.763922 | 38.51985 | 29.78933 | 0.0044 |
| At most 2 | 0.290825 | 11.22517 | 15.4844 | 0.1932 |
| At most 3 | 0.073872 | 2.276215 | 3.841879 | 0.1311 |
| Hypothesized | | | | |
| No. of CE(s) | Eigenvalue | Max-Eigen Statistic | 0.05 Critical Value | Prob.** |
| None * | 0.846783 | 47.5112 | 27.52189 | 0.0000 |
| At most 1 * | 0.646782 | 26.34521 | 21.19864 | 0.0054 |
| At most 2 | 0.236785 | 8.942216 | 14.25432 | 0.2922 |
| At most 3 | 0.053715 | 2.291105 | 3.823106 | 0.1311 |

Source: Authors' computation from E-views 10

The co-integration test results indicated that the variables in the model are co-integrated. Both the trace and maximum Eigenvalue tests provided evidence of two co-integrating vectors. As a result, the null hypothesis of no co-integration is rejected, suggesting that the variables are related in the long term. With the confirmation of co-integration, the necessary condition for estimating the ECM is satisfied. Section 4.4 details the estimation of the Error Correction Model, which was used to analyze the dynamic behavior of the explanatory variables and the underlying feedback effects of the dependent variable. Table 4 presents the results from transforming the models using the simplified ECM.

Table 4: Parsimonious ECM Least Squares Method

| Dependent Variable: DLOG(AGV) | | | | |
|--|-------------|-------------------------|-------------|-------------|
| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
| DLOG(AGV(-1)) | -0.592369 | 0.228745 | -2.398232 | 0.0376 |
| DLOG(AGV(-2)) | -1.032125 | 0.250854 | -2.539821 | 0.0020 |
| DLOG(AGV(-3)) | -0.603738 | 0.628715 | 3.652191 | 0.0870 |
| DLOG(ADL) | 0.052325 | 0.292364 | 3.873621 | 0.0110 |
| DLOG(ADL(-1)) | 0.079706 | 0.319823 | 1.376291 | 0.0950 |
| DLOG(ADL(-2)) | 0.059165 | 0.276495 | -1.612387 | 0.4350 |
| DLOG(ADL(-3)) | -0.016150 | 0.413278 | -2.324518 | 0.0050 |
| DLOG(WBL) | -0.087477 | 0.328456 | -3.572357 | 0.0220 |
| DLOG(WBL(-1)) | -0.157219 | 0.286329 | -2.524171 | 0.0310 |
| DLOG(WBL(-2)) | -0.173912 | 0.753915 | -1.267182 | 0.0150 |
| DLOG(IDA(-1)) | -0.128184 | 0.112097 | -3.128735 | 0.0260 |
| DLOG(IDA(-3)) | 0.188591 | 0.285392 | -2.387321 | 0.0180 |
| ECM(-1) | -0.592287 | 0.573628 | -2.376218 | 0.0003 |
| C | 0.165098 | 0.298342 | -3.318734 | 0.0070 |
| R-squared | 0.824580 | Mean dependent variable | | 0.061762 |
| Adjusted R-squared | 0.672761 | S.D. dependent variable | | 0.079886 |
| S.E. of regression | 0.045698 | Akaikie info criterion | | -3.027354 |
| Sum squared resid | 0.027149 | Schwarz criterion | | -2.355439 |
| Log likelihood | 54.86928 | Hannan-Quinn criter | | -2.827559 |
| F-statistic | 5.122337 | Durbin-Watson stat | | 2.115019 |
| Prob(F-statistic) | 0.002995 | | | |
| Post-estimation test results | | | | |
| Test type | | Test statistic | Chi-square | Prob. value |
| Breusch-Godfrey Serial Correlation LM test | | Chi-square statistic | | 0.9042 |
| White Heteroskedasticity Test | | Chi-square statistic | | 0.6681 |

Source: Authors' computation from E-views 10

The analysis showed a significant positive relationship between AfDB and IDA loans and agricultural value-added. A 1% increase in AfDB loans results in a 0.0576% increase in agricultural value-added, aligning with Massa's (2011) findings. Similarly, a 1% increase in IDA loans leads to a 0.294% increase in agricultural value-added, consistent with Simpasa, Shimeles, and Salami's (2015) results. However, World Bank loans did not show a significant impact on agricultural value-added. The model's overall significance, based on the coefficient of determination and F-statistic, is confirmed at a 5% significance level. The error correction coefficient (-0.5922) indicates that the model is convergent and adjusts quickly, meaning short-term deviations can be corrected in the long run. With a high R-squared (0.8245) and F-statistic (5.122), the explanatory power of the regressors is strong, and they jointly affect agricultural value-added. Moreover, diagnostic tests, including the Breusch-Godfrey serial correlation and White's heteroscedasticity tests, indicate that error terms are not serially correlated and maintain a constant variance. The normality test, based on the Jarque-Bera statistic, confirms that the residuals follow a normal distribution. These diagnostic results suggest that the model is reliable.

CONCLUSION

Development Finance Institutions (DFIs) play a crucial role in the development of Nigeria's agricultural sector by providing financial support, technical assistance, and promoting sustainable agricultural practices. While DFIs have contributed to increasing access to credit, promoting technology adoption, and supporting rural development, several challenges, such as inadequate funding, high risks, and bureaucratic processes, hinder their full potential. The results show that AfDB loans positively contribute to agricultural value-added, highlighting AfDB's significant role in sector financing. Similarly, loans from IDA also exhibit a long-term positive relationship with agricultural value-added, suggesting that IDA's loans have helped improve the agricultural value chain. In contrast, World Bank loans were found to negatively affect agricultural value-added, which contradicts theoretical expectations, as World Bank funding is typically seen as a major source for supporting growth and development in low-income countries. Based on these findings, it can be concluded that AfDB remains a key driver of agricultural sector development.

Based on the findings of the study, the following recommendations can help enhance the role of DFIs in developing Nigeria's agricultural sector:

- Policymakers should prioritize directing AfDB loans to productive sectors, particularly agriculture, to foster development in the real economy.
- DFIs should establish stronger collaborations with commercial banks to leverage their resources and extend the reach of agricultural loans to a broader segment of farmers. Public-private partnerships can also foster a more sustainable financing model.
- To ensure that DFIs reach more farmers, they must streamline their loan application processes, reduce bureaucracy, and introduce more flexible loan terms. A more efficient disbursement process will increase accessibility and enable farmers to act quickly on opportunities.
- Given the vulnerability of agriculture to climate change and other risks, DFIs should support agricultural insurance schemes to mitigate the risks associated with farming. This would encourage farmers to take more risks and adopt modern techniques, knowing they have a safety net.
- To complement their financial support, DFIs should prioritize funding for rural infrastructure, such as roads, irrigation systems, and storage facilities, to enable farmers to transport and store their products efficiently. This would improve the overall agricultural value chain.
- To strengthen the role of DFIs in developing Nigeria's agricultural sector, there is a need for better collaboration between DFIs and commercial banks, improvements in loan accessibility, and a focus on infrastructure development. By addressing these challenges, DFIs can contribute more effectively to the sustainable growth and diversification of Nigeria's agricultural sector, which remains crucial for the nation's overall economic development.

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