Early Warning System

AFDB-P-ET-BZ0-001

Ethiopia – Financing the Missing Middle for Small and Medium-Sized Enterprises (SMEs)

Quick Facts

Countries	Ethiopia
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	C
Voting Date	2026-02-05
Borrower	Ignite Capital PLC
Sectors	Finance, Industry and Trade, Technical Cooperation
Investment Type(s)	Grant
Investment Amount (USD)	$ 0.99 million
Project Cost (USD)	$ 1.84 million

Project Description

According to the Bank's website, Ignite – Financing the Missing Middle is a technical assistance project implemented in Ethiopia with a total cost of USD 1.84 million. The project is financed by the African Development Bank through the Fund for African Private Sector Assistance (FAPA) with a grant of USD 999,250, complemented by co-financing from GIZ amounting to USD 358,400, and a contribution from Ignite Capital estimated at USD 479,632. The project supports Ignite Capital, a women-owned Ethiopian SME, to scale up an equity crowdfunding platform designed to mobilize domestic, diaspora, and impact investment for underserved small and medium enterprises (SMEs).

The objective of the project is to unlock access to long-term risk capital for Ethiopian SMEs by strengthening their investment readiness and expanding the capacity of Ignite Capital to operate a secure, scalable, and regulated equity crowdfunding platform. The project aims to address the "missing middle" financing gap by enabling SMEs to raise equity from diaspora and angel investors, strengthening the local private capital ecosystem, and contributing to the development of Ethiopia's capital markets through participation in the national regulatory sandbox. Through capacity building, platform enhancement, and investor engagement, the project seeks to promote inclusive private sector growth, job creation, and women's economic empowerment.

The direct beneficiary of the project is Ignite Capital, which will strengthen its institutional, technological, and operational capacity. Indirect beneficiaries include approximately 100 Ethiopian growth-oriented SMEs that will receive investment readiness support and access to equity financing, with at least 35% being women-led enterprises and 20% located outside Addis Ababa. Additional beneficiaries include diaspora, local, and impact investors who will gain access to diversified investment opportunities, business development service providers engaged in SME support, and financial institutions that will benefit from a stronger pipeline of investment-ready SMEs. At institutional level, the Ethiopian Capital Market Authority will benefit from lessons generated through the regulatory sandbox, contributing to improved crowdfunding regulation and capital market development.

Early Warning System Project Analysis

Environmental Category: [3] Low Risk

The project seeks to strengthen the client, Ignite Capital’s ability to mobilize financing for SMEs by enhancing its crowdfunding platform, investor outreach, and SME support services. The project activities which cover SME investment readiness training & capacity building, and crowdfunding infrastructure enhancement, are anticipated to have low environmental and social risks. The E&S risk category is validated, as Category 3 in the Integrated Safeguards Tracking System (ISTS) and recorded in SAP on 22 July 2025.

No significant E&S risks are anticipated from the project's implementation. Its components and activities, primarily focused on technical assistance and institutional support, are designed to have minimal direct impact on the country's biophysical and socioeconomic conditions, resulting in low environmental risks.

Investment Description

- African Development Bank (AFDB)

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Financial Instrument: Project Cycle Grant
Commitments (UA): 730,766
Conversion Rate USD (2026-03-25): 1,36276
Commitments (USD): 995,858.67

Private Actors Description

Ignite Capital PLC is a premier capital market advisory and equity crowdfunding platform based in Addis Ababa, Ethiopia, focusing on investment banking, small-medium enterprise (SME) financing, and diaspora investments.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Ignite Capital PLC	Client	-

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process.

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- Appraisal Report (EN)
- Expression of Interest (EN)
- Expression of Interest (EN)
- Expression of Interest (EN)
- Expression of Interest (FR)
- General Procurement Notice (EN)