

 Early Warning System

AFDB-P-NG-HAA-016

NIGERIA - Youth Entrepreneurship Investment Bank (YEIB)



Quick Facts

Countries	Nigeria
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-10-15
Borrower	Government of Nigeria - Ministry of Finance
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 99.87 million



### Project Description

According to the Bank's website, the proposed Nigeria Youth Entrepreneurship Investment Bank (Nigeria YEIB or N-YEIB) will contribute to the implementation of Nigeria's Agenda 2050, which aims to accelerate sustained and broad-based growth and development, in order to reduce unemployment, poverty, inequality, gender inequity and human deprivation. The NDP isolates Nigeria's youthful demographic profile as a pivotal and investible asset to help drive economic expansion and shared prosperity. It prioritizes the easing of youths into the labour market productively, by building strong foundation for a diversified economy anchored on a robust Micro Small and Medium Enterprises (MSMEs) growth, and a more-resilient business environment.

The development objective of the Nigeria YEIB is to promote gender responsive youth entrepreneurship and enterprise development by boosting tailored financial and non-financial services to foster a thriving entrepreneurial ecosystem. It will do so on a large scale amongst Nigerian youth through a combination of appropriate forms of capital, credit risk mitigation, and inclusive, holistic, technical and entrepreneurial training and gender responsive support. The YEIB initiative will support the government's job creation efforts for young people in Nigeria by enhancing the ecosystem developed by youth led MSMEs as job creators, and will incorporate measures and incentives to promote women's economic empowerment and reduction of gender gaps in the labour market. It will also promote opportunities for inclusiveness and provide hope to a large group of young people, by addressing their enterprise support needs, including many in rural and disadvantaged areas.

The Nigeria YEIB will target existing and prospective youth entrepreneurs (i.e. persons between the ages of 18-35), youth led businesses (i.e. firms with 51% youth ownership or management) and businesses that have youth as the major beneficiary of its goods or services (which by default tend to contribute to employing or training mostly youths). The Nigeria YEIB interventions shall equitably be distributed across the 36 states of the Federation and the Federal Capital Territory (FCT). The YEIB and its vehicles are sector agnostic, however, the focus will be primarily on job creation, and hence will concentrate heavily on providing patient capital and the attendant technical support to growth-oriented startups and early-stage companies with potential for scalability of their business model, ability to contribute to high growth in number of employees, and an emphasis on formality of jobs created and sustained. To this end, it is therefore less likely that small sole proprietorships, nor artisans and the likes will be targets of the YEIB. Rather, the beneficiaries of the YEIBs will in most cases, be skilled young entrepreneurs, with solutionist products and rapid opportunity for growth and replicability in multiple markets and locations.

**Gender equality and Female youth:** The YEIB Nigeria financing will pay particular attention to female-led businesses, with a target of at least 30% of the total YEIB Nigeria funding volumes going to female-led youth businesses and beneficiaries in the first 3 years and increasing annually 4% through gender responsive strategies and measures towards parity in the ensuing 5 years thereafter. This is especially important as women entrepreneurs in Nigeria have been found to face additional challenges due to lack of initial collateral and assets as well as cultural and social norms that often hinder their ability to access financial resources and networks necessary for business success. In general, while the importance of promoting youth employment in Africa has led to massive investment in recent years, most programs have failed to adequately incorporate or emphasize the importance of targeting women. The YEIB will incorporate a gender focus in staffing (40% women and gender expertise in management facilities, ESMP and financial instruments. This will be reflected in a gender action plan for all instruments and a gender policy.



## Early Warning System Project Analysis

Environmental Category: [2] Moderate Risk



### Investment Description

- African Development Bank (AFDB)

Finance Type: Standard loan

Commitments (UA): 75,095,935

Conversion Rate USD (2024-10-15): 1,32990



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### Contact Information

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### Bank Documents

- [Appraisal Report](#)
- [Appraisal Report \(FR\)](#)
- [Environmental Study](#)