

# Access to Finance



# Preamble / Introduction

- Africa is continent with huge youth population.
- This is a blessing to the continent because of the huge potential.
- But if not well harnessed, it can become another hurricane Florence

# Present Situation and Challenges

- Finance remains a major challenge in the African continent and even the world over.
- Owners of funds, understandably takes it to where they will get the highest returns.
- Traditional Commercial Banks are profit-driven entities with shareholders whose interest differs.
- The Micro-finance Banks had made little contributions to youth employment because most of them have deviated from their primary goals.

# Some identified interventions in Access to Finance

- Governments and some EOs have taken some laudable steps aimed at facilitating access to finance. Examples include:
  - **Togo:**
    - The FAIEJ (*Funds d'Aide aux initiatives d'conomifus dis jeuns*) – An initiative that provides funds to youth start-ups after rigorous screening of business ideas and training.
  - **Zimbabwe:**
    - Establishment of Youth Empowerment Bank and Women Empowerment Banks.

# Some identified interventions in Access to Finance

## ➤ Malawi:

- Establishment of Jobs for Youths Programmes with Access to Finance.

## ➤ Mali:

- Facilitating Multilateral support through the World Bank and the Government of Denmark.

## ➤ Tunisia:

- Bank Support for Small Businesses

## ➤ Nigeria:

- The YouWin Project
- The Bank of Industry Intervention
- The CBN Real Sector Support Fund
- NECA's Network of Entrepreneur Women Microfinance Bank.

# Our Views

- Creation of Guarantee Funds by EOs through member-companies and Governments.
- Exploring other sources of finance such as cooperatives and micro-financing.
- Encouragement of impact financing and Business Angels (Mo-Abudu, Tony Elumelu Foundation, etc.).
- Education of Youth Entrepreneurs/Start Ups (Why own 100% of nothing when you can own 50% of something)

# Suggested Action Points

- EOs should embark on evidence-based advocacy for financial policies that are deliberately targeted at youth start-ups (*the Aviation presentation example*).
- More synergy between social partners and other stakeholders to ensure the continuity and sustainability of present initiatives.
- Providing access to finance is not enough, we must build trust between finance-providing institutions and youth entrepreneurs through training and mentoring of youths.
- Encourage and engage global financial institutions and support groups (World Bank, IMF, AfDB, etc)

# Suggested Action Points

- Advocacy for friendly financial regulations such as low interest rates and long moratoriums for youth entrepreneurs and start-ups.
- Advocacy for incentives for finance-providers and institutions. Incentives such as tax holidays, etc.
- Facilitate effective monitoring and evaluation process.
- Facilitate a reporting /action-taken structure where all EOs can give feedback of actions taken and technical supports needed.
- Agreement on implementation time-line
- We all (Social Partners) have to make personal and organizational commitment to “DO-SOMETHING”.



**Thank you.**