

Youth are Africa's best asset

Africa's underinvested youth are in need of urgent attention and youth entrepreneurship investment banks must become the focus of global support, the African Development Bank head Dr. Akinwumi A. Adesina said in a discussion on scaling up financing for the continent's youth.



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Adesina was speaking at a virtual roundtable at which he presented a novel concept for youth entrepreneurship investment banks. The roundtable, organised by the African Development Bank, came a day ahead of the Summit on Financing African Economies convened by President Emmanuel Macron.

Spanish Foreign Minister Arancha González Laya; Jean-Michel Severino, CEO of Investisseurs et Partenaires; Ashish J. Thakkar, CEO of Mara Phones; Yana Kakar, global managing partner Emeritus at Dalberg Advisors; Yvonne Otieno, CEO of Miyonga Fresh Greens, and other representatives of the private sector joined in the meeting.

Otieno urged the world to believe in the youth and to put their hands in their pockets. “Take a risk on us. You will never regret it,” she said in a moving presentation in which she described her career trajectory which began in a bookshop, progressed through journalism, to starting her own business growing French beans on 1.5 acres of land.

“Failure is only a weakness if you don’t learn from it,” said Otieno.

With lack of access to finance a serious bottleneck, the proposed youth entrepreneurship investment bank would coordinate financial and non-financial actors and partners to more effectively support youth entrepreneurs.

Have faith in the youth

“We must support the youth to go beyond looking for jobs. We must unleash the entrepreneurial drive and capacities of the youth to create jobs, Adesina said. “We must grow, finance and support large scale successes of youth -led businesses in Africa.”

Speaking immediately after Dr. Adesina’s opening remarks, Spanish Foreign Minister Arancha González Laya expressed strong support for the initiative. “Spain welcomes the African Development Bank’s youth entrepreneurship investment initiative, geared towards unlocking entrepreneurship and promoting the growth of businesses of the youth.” she said.

Thakkar, chair of the African Development Bank’s Presidential Youth Committee, advised that the youth investment banks would need to be scalable and self-sustaining. He said it was very important to create the right incentive structures for governments to encourage the private sector to play a key role.

Job creation

Research suggests that Africa needs to create 18 to 30 million jobs annually through 2030, and Ladi Balogun, CEO of First City Monument Bank Group, reiterated the urgency of this challenge. He said time was of the essence in terms of mounting a response as well as accelerating decision-making processes and the extension of financing to entrepreneurs. He also advised working through local money managers to achieve scale.

“We have a ticking time bomb on our hands,” Balogun said.

Participants also commended the African Development Bank for taking a lead role in the effort to support youth entrepreneurs, as well as calling on the Bank to play a number of roles.

Yana Kakar said the African Development Bank has an important knowledge transfer role to play. She added that the bank has much to share about what is needed in tech-enabled segments versus what might be needed to enable entrepreneurs in more production-oriented segments.

The African Development Bank has demonstrated its strong commitment to the youth of Africa through its Jobs for Youth in Africa Strategy to help create 25 million direct and indirect jobs, and empower 50 million youth by 2025. The institution has also set up a \$40m trust fund in partnership with several European countries to advance youth entrepreneurship and innovation.