



Image: Participants of Sahel Scholars Program

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On March 9<sup>th</sup>, 2021, the African business landscape was buzzing with excitement and optimism in reaction to the news that Flutterwave, a payments company, had closed its Series C fundraising round at \$170 million<sup>[1]</sup>, valuing the company at over \$1 billion. Founded in 2014 by a team of young Nigerians, this company already has 290,000 businesses using its platform and is active in 20 African countries.

While there are a growing number of success stories like Flutterwave, which are leveraging technology and innovation to scale, creating hundreds of sustainable jobs, 1 in 5<sup>[2]</sup> of the 400 million youth remain unemployed, and a much greater number are under-employed. In fact, the Nigerian Bureau of Statistics recently reported a 33%<sup>[3]</sup> unemployment rate in a country where over 70% of the population is under 35 years old. These high levels of unemployment, further worsened by the economic shocks linked to the COVID-19 pandemic, are fostering

the growing insecurity in the country, with many young people being forced into terrorist and kidnapping groups to survive.

There is an urgent need to foster entrepreneurship and the scaling of resilient businesses that will provide decent jobs, especially for young Africans. This will require coordinated action by key stakeholders in the public, private and nonprofit sectors and development community to create an enabling policy environment, close the skills and training gaps, and provide training, mentoring, and catalytic financing to support a vibrant and thriving entrepreneurial ecosystem.

To fast track the emergence and scaling of more African businesses that will create decent jobs for African youth, there are at least three required steps:

### **Creating an Enabling Policy Environment for Entrepreneurship and Job Creation:**

African governments operating at the regional, federal, district, and local levels must create an enabling policy environment for businesses to emerge and thrive. This enabling environment must be rooted in evidence-based and data-driven policy design. This must be followed by the practical and transparent implementation of critical interventions, including investment in roads, rails, ports, information and communication technology, and energy infrastructure. In addition, intellectual property rights protection laws, streamlined registration, taxation, and consistent and supportive sector policies must set and enforce standards for operating in the business environment. Governments must prioritize key growth sectors, which also have significant employment generation potentials, such as agriculture and food processing, technology and knowledge, energy and climate adaptation, the creative industries, and construction.

There are promising examples of progress in Mauritius and Rwanda, which consistently lead Africa in the World Bank Doing Business Rankings<sup>[4]</sup>, which measure a range of factors, including the ease of registering a business, obtaining construction permits, and electricity and enforcing contracts. Rwanda even offers free business registration, all online.

The commencement of the African Continental Free Trade Area (AfCFTA) on January 1<sup>st</sup> 2021, holds great promise for creating “one African market” and fostering greater economic linkages between entrepreneurs. However, the significant deficit in inter-continental transportation infrastructure, inefficiencies and opaque rules at borders, and the currency transfer, language, and cultural barriers must be addressed to truly unlock the growth and employment opportunities that AfCFTA offers.

**Preparing African Youth for Employment and Entrepreneurship:** Despite the high rates of youth unemployment on the African continent, most entrepreneurs in the business landscape struggle to find and retain talent, and this challenge limits their ability to scale. This supply and demand gap is linked to the antiquated educational systems being utilized in most African countries, which are not effectively equipping youth with the life, leadership, employability and entrepreneurial skills, and ethics and civics education they desperately need. For example, LEAP Africa’s work with youth, teachers, and social entrepreneurs has demonstrated the impact of providing life, leadership, and employability skills to students over the past nineteen years. The Majority of LEAP’s 100,000 beneficiaries have been able to secure internships or full-time employment, and many have chosen to continue their education.



Ndidi Nwuneli with the Social Innovators Fellows 2018/19 at the Sustainability Workshop

Given the high rates of attrition between primary, secondary, and tertiary education on the Continent, and growing numbers of out-of-school youth, governments must partner with faith-based and community organizations to provide life and vocational skills. These youth can, in turn, gain employment in growth sectors such as construction, food processing, and information, and communications technology.



LEAP Africa M&E Manager's visit to Akwa Ibom with students of LEAP's iLEAD Fellowship Programme

It is imperative that the curriculum being offered to students is relevant and transformation in terms of tertiary education. For example, only 4.34 percent of graduates from Nigerian universities study agriculture or agri-related courses even though the vast majority of Africa's population works in this sector. During the Sahel Scholars program offered in leading universities, the students have often disclosed that studying agriculture was their third or fourth choice option after they could not obtain admission into more attractive majors such as medicine, pharmacy and microbiology. While enrolled, the students complain about an outdated curriculum that focuses on agriculture as a science instead of a business course, with limited linkages to value chain actors, technology and innovation, and internship opportunities.

Impacts Since 2017

6 Universities



9  
Conferences



Over 2,500  
Conference  
Participants



9 Sahel  
Scholars

**Sahel is Engaging and Building the Capacity of Youth in the Sector through its Sahel Scholars Programme (SASP)**

In 2017, Sahel introduced the Sahel Scholars Programme as an annual programme to empower outstanding Nigerian students through conferences, mentorship, hands-on experience, and scholarships.

Every year, Sahel organizes conferences across selected universities in Nigeria and engages top-performing scholars to participate in internships.

[sahelconsult.com/sahel-scholars-program/](http://sahelconsult.com/sahel-scholars-program/)

There is an urgent need for the private sector to partner with the Ministries of Education and the universities commissions in the different African countries to update the curricula to include innovation and technology, entrepreneurial and managerial skills, and practical work experience. In addition, private organizations and institutions should partner with universities to fund data-driven and demand-driven research and support talent development efforts by providing internship and mentorship opportunities for undergraduate students.

**Unlocking Catalytic and Patient Capital and Ecosystem Support:** As reinforced by the Flutterwave story, there are a growing number of angel networks, accelerators, incubators, and SME support initiatives in Africa’s major cities, and many African philanthropists have also launched entrepreneur development and support programs. However, entrepreneurs operating across different growth sectors still struggle to access catalytic and patient capital in venture capital, private equity, matching grants, loans, challenge funds, and other forms of financing to establish and scale resilient companies. In fact, access to affordable and patient capital is typically cited as the most significant barrier to the emergence and growth of businesses on the African Continent. The International Finance Corporation estimated this financing gap to be \$136<sup>[5]</sup> billion annually pre-COVID. Sadly, women and youth face even more significant hurdles to obtaining financing linked to their limited access to collateral, limited networks, and investment-readiness support.

As a result, it is imperative that African financial institutions, philanthropists, and public sector stakeholders’ partner to increase funding flows to youth-run and women-led businesses through special financing windows. There are also significant opportunities to partner with community and faith-based organizations to de-risk financing to grass-roots entrepreneurs, especially those operating in rural areas. Organizations such as the Lagos State Employment Trust Fund<sup>[6]</sup> (LSETF) and the Fund for Agriculture Financing in Nigeria (FAFIN)<sup>[7]</sup> are two inspiring and high-impact interventions that demonstrate private-public partnerships potential to fill critical gaps in the financing landscape and generate critical employment.

There is also a critical need to ensure equity, inclusion, transparency, and accountability in the allocation of funds on the Continent. According to the Guardian UK article in July<sup>[8]</sup> 2020, “of the top 10 African-based startups that received the highest amount of venture capital in Africa last year, eight were led by foreigners. In Kenya, for instance, only 6% of startups that received more than \$1m in 2019 were led by locals, a Viktoria Ventures analysis found. In Nigeria, 55% of the big-money deals went to local founders and 56% for South Africa.” Leveling the playing field for African startups will require leadership and commitment by development finance institutions and global and local impact investors to actively build local investment pipelines and also actively address implicit biases in their screening and selection processes.

Beyond financing, MSMEs also need business development support services to develop and scale resilient business models, enhance their investment readiness to attract funding, build solid brands, and access new markets. As highlighted in “Food Entrepreneurs in Africa, Scaling Resilient Agribusinesses,” entrepreneurs thrive when they are part of an ecosystem

of support and can benefit from guidance, mentorship, and linkages. Nourishing Africa<sup>[9]</sup>, established in 2020, is a virtual home for agriculture and food entrepreneurs committed to attracting, empowering, equipping, connecting, and celebrating over one million dynamic and innovative entrepreneurs driving the profitable and sustainable growth of the African agriculture and food landscapes. Nourishing Africa is supporting entrepreneurs in 34 African countries to scale their businesses and offers a job portal for those seeking employees or employers in the food and agriculture landscape.



As Africa’s population inches towards 2.4 billion people by 2050, there is an urgent need to galvanize its most precious resource - its young people - who are dynamic, creative, and energetic. By creating an enabling environment for young entrepreneurs to emerge and thrive, providing the formal and informal training they require and ensuring affordable and patient financing to enable them to grow, we can collectively create many more Flutterwaves. This will, in turn, foster job and wealth creation, gender equity and may indeed prove to be the catalytic force for transformation that we urgently need on the African continent!

1. [African payments company Flutterwave raises \\$170M, now valued at over \\$1B |](#)

[TechCrunch](#) ↑

2. [wcms\\_737670.pdf \(ilo.org\)](#) ↑

3. [BREAKING: Unemployment in Nigeria hits 33%, highest on record - Businessday NG](#)  
↑

4. ↑

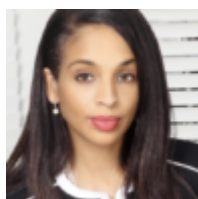
5. [African SMEs face a \\$136bn financing gap annually—IFC - Vanguard News \(vanguardngr.com\)](#) ↑

6. [Home | LSETF | Lagos State Employment Trust Fund](#) ↑

7. [Sahel Agribusiness - Sahel - Sahel \(sahelcp.com\)](#) ↑

8. The Guardian. 2020. Silicon Valley has deep pockets for African startups - if you're not African. Accessed:  
<https://www.theguardian.com/business/2020/jul/17/african-businesses-black-entrepreneurs-us-investors> (August 11th 2020). ↑

9. [Home - Nourishing Africa](#) ↑



## **Ndidi Nwuneli**

Ndidi Nwuneli is the co-founder and Managing Partner of Sahel Consulting Agriculture &



Nutrition Ltd., which works across West Africa shaping policy, creating catalytic ventures, and implementing ecosystem solutions. She is also the co-founder of AACE Foods which produces a range of spices, seasonings, and cereals for local and international markets. Ndidi is the founder of LEAP Africa which inspires, empowers, and equips a new cadre of principled, disciplined, and dynamic young leaders in Africa and the chair of Nourishing Africa, a digital knowledge, financing, and data hub which is enabling agribusiness entrepreneurs in 34 African countries to scale. Ndidi holds an M.B.A. from Harvard Business School and an undergraduate degree with honours from the Wharton School of the University of Pennsylvania. She was a Senior Fellow at the Mossavar-Rahmani Center for Business & Government at the Harvard Kennedy School and an Aspen Institute New Voices Fellow. Ndidi is the author of "Social Innovation in Africa: A Practical Guide for Scaling Impact," and "Food Entrepreneurs in Africa: Scaling Resilient Agriculture Businesses" both published by Routledge. She is a TED Global speaker and her work has been featured on CNN, BBC, and a range of international and local media outlets.

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