

UK boosts access to finance for women-owned businesses and clean energy projects in Nigeria

A new £74 million (41.6 billion Naira) financial package from the UK will support women entrepreneurs across Nigeria, who are facing disproportionate barriers to business.

The UK Minister for Africa announced the new investment, aimed at boosting support for women owned businesses and small and medium enterprises (SME's), whilst in Nigeria this week.

The financial package will be delivered through a new financing facility between First Bank of Nigeria and British International Investment (BII), the development finance institution of the UK Government.

UK Minister for Africa, Vicky Ford, said:

When smaller businesses and women entrepreneurs are economically empowered, their whole community benefits.

That is why the UK is providing new support with our African partners to help businesses access finance to scale up their operations.

The UK will work closely with the Nigerian Government to deepen our economic co-operation and boost growth, prosperity and opportunity in both our countries.

Africa has the highest concentration of female entrepreneurs, accounting for almost a third of all businesses on the continent. Despite this, their contributions to the economy remains low. This is because many women face barriers to growing their businesses, such as obtaining investment from banks.

It is a similar picture for SME's, who also struggle to access funding. Yet, in Nigeria SME's contribute 48% of national GDP and account for 96% of businesses and 84% of employment, according to a PwC report.

The new financing facility between BII, formerly known as CDC, and First Bank of Nigeria, will promote access to financial inclusion across the country.

This includes a technical assistance programme to further develop the Bank's gender finance strategy, products and processes to support the growth of female-led businesses.

Managing Director and CEO at FirstBank, Adesola Adeduntan, said:

Beyond the mutual benefits this partnership offers to both organisations, this transaction offers yet, another occasion for FirstBank to contribute immensely, to the United Nation Sustainable Development Goals.

Enabling financial inclusion for SME's has been a strategic priority for FirstBank over the last 128 years. Similarly, FirstBank has been at the forefront of financially empowering women-owned and women-led businesses on the continent. This partnership with CDC/BII offers a fantastic opportunity to accelerate the momentum.

At FirstBank, we remain ever committed to fostering financial inclusion, creating wealth for the underserved, enhancing access to quality education and health care, improving lives and empowering women.

Chief Executive of the UK's development finance institution, Nick O'Donohoe, said:

British International Investment will build on the 74-year-old legacy of CDC and will be dedicated to creating sustainable, inclusive and productive economic outcomes for millions of people in emerging economies, such as Nigeria.

While in Abuja, Minister Ford also announced the UK is providing £10 million (5.6 billion Naira) through Infracredit to unlock institutional investment, such as pensions and insurance funds, into off-grid clean energy projects, including solar mini-grids in Nigeria.

This support builds on the Prime Minister's commitments at Cornwall G7 and COP26 to help developing countries take advantage of clean technology, grow their economies sustainably and leverage institutional investment.

85 million Nigerians are without access to reliable energy, so developing projects in this area will help to provide households with affordable energy and create essential jobs.

CEO of Nigerian Sovereign InvNSIA and shareholder in InfraCredit, Uche Orij, said:

InfraCredit is pleased to be working with FCDO to bring more local finance from people's pensions into such an important developmental area as low carbon energy innovation and access.

Notes to Editors:

- CDC will be rebranded as British International Investment (BII) on 4 April 2022. CDC/BII is the UK's development finance institution. The company has investments in over 1,000 businesses in emerging economies with total net assets of £6.8 billion. More on CDC [here.](#)
- Of the £74 million (41.6 billion Naira) investment, a minimum of £22 million will be allocated in the form of credit lines to women entrepreneurs.
- Infracredit is a Nigerian entity whose shareholders are the Nigeria Sovereign Investment Authority Africa Finance Corporation and Guarantco. Guarantco is funded by a range of development Partners – United Kingdom, Switzerland, Australia, Sweden, the Netherlands, France and Canada.
- Infracredit provides local currency (Naira) guarantees to enhance the credit quality of debt instruments issued. More on Infracredit [here.](#)
- Institutional financing is money held in pension, insurance or wealth funds for example. In Nigeria there is over 12 Trillion Naira held in such funds. It is mostly invested in government securities or occasionally in Nigerian shares.
- More on the PWC report [here.](#)