

**NATIONAL YOUTH EMPOWERMENT
PROGRAMME: A BLUEPRINT.**

**POWERED BY
NEFAID**

**NIGERIA ENTREPRENEURS FORUM
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OVERVIEW OF THE NIGERIAN ECONOMY

With a population of about 170 million people, Nigeria is the largest country in Africa and accounts for 47% Of West Africa's population with medium age of 18 years. At a population growth rate of 2.5% per annum, Nigeria is estimated to have the population of 300 million by year 2020 and expected to become the third largest country on earth by the year 2050.

Nigeria has the 2nd proven oil reserve in Africa accounting for 95% of its total annual revenue and also holds the status of having the largest natural gas reserve in the continent along with huge domestic market. Nigeria has 44 approved solid minerals in commercial quantity as well as a leading global player in a number of commodities including cocoa.

Nigeria has over 170 tertiary institutions providing training programmes in diversified fields. With these very large reserves of human and natural resources Nigeria has every reason to build a prosperous economy, especially having been confirmed the biggest economy in Africa in April 2014

Other strengths of Nigeria business environment include:

- ✚ International Political Clout: since the transition to democracy in 1999, Nigeria has experienced stable political and economic climate. This has continued to bring in foreign investors thus making Nigeria the Number one most preferred investment destinations in Africa.
- ✚ Strategic Location: (Gulf of Guinea). Nigeria is strategically located in the Gulf of Guinea with sea and freight access to North America and Europe via the Atlantic Ocean. These continents have a combined GDP of over USD 30 Trillion which is almost half of the global economy and concentration of consumers market.

These advantages in the business environment are accompanied by opportunities among which are:

- ❖ Opportunities to become major producer or supplier of target goods and commodities for Africa and the World.
- ❖ Opportunities to build up labour intensive sector for Africa and beyond
- ❖ Opportunities to produce for our large domestic market and the ECOWAS sub-region.
- ❖ Opportunities to attract investment from Asian Countries where cost of labour has begun to rise.

Yet Nigeria as a nation is facing its most significant test in dealing with the ever increasing problems of:

- ✚ Unemployment
- ✚ Underutilized talents
- ✚ Youth restiveness and anti-social behaviors
- ✚ Rural- urban migration
- ✚ High population growth rate
- ✚ Inadequate long term planning
- ✚ Inadequate infrastructure and lack of institutional support required for sustainable growth.

On the global scale, Nigeria has not kept pace with the global integration. The share of sub - Sahara Africa where Nigeria is adjudged the political and economic power house remains below 1.9%. Nigeria's economic activities with her West African neighbours is minimal, amounting to just 1% of total trade, despite the region's internal market of 300 million people.

Beside Nigeria's low performances on the global scale, basic indicators put Nigeria among the poorest nations of the world; whose dimension and intensity ranges from food insecurity, social exclusions, ignorance, voicelessness, lack of good health, lack of empowerment and short life span.

BUSINESS ENVIRONMENT AND CHALLENGES

Indeed with the recent unemployment rate in the formal sector put at 23.9%, total unemployment figure standing at 49 million and recognizing that out of every six (6) million employable people that enters the job market, only 10% can get a job, coupled with the fact that although mining is largely represented by the exploitation of oil and gas account for about 95% of Nigeria's revenue, its contribution to employment is less than 1%. These figures help to strengthen the argument that if Nigeria must find sustainable solutions to its economic problems, she must look favorably towards entrepreneurship development among the citizenry.

The impact of the business in a Nation's economy has often been applauded. This has been demonstrated in the esteem to which entrepreneurs are held in the developed Countries like USA, Germany, Britain, France, etc. the sudden rise of China, India, Brazil and Singapore is a reflection of their acceptance and support for small business growth among these countries.

For the small business owner, entrepreneurship promotes self-esteem, financial freedom and the patriotic feelings that he is contributing to the economic growth of his fatherland. For the individual, many reasons abound why business ownership is most preferred.

1. To make money after comparing with other options
2. To get out of professional boredom
3. To be his own boss and control his destiny
4. To advance technology or unique expertise for the betterment of the society.
5. To prove that he can compete
6. To extend life by getting involved in post - retirement rewarding and challenging adventures.

CHALLENGES CONFRONTING NIGERIAN SMALL BUSINESSES.

It is difficult to find example of first generation wealth made by people who are not in business for themselves. Yet just as many businesses are started in Nigeria not too many are able to meet the aspirations of their start-up owners.

The challenges of businesses in Nigeria include:

1. LACK OF CAPITAL AND ACCESS TO CREDIT

Even when many entrepreneurs are able to raise the initial venture capital they need for business start-up, they soon experience challenges in being able to finance the day to day operations of the business. The challenge is deepened when the business is successful and now wants funds to expand.

The access to financial services in Nigeria 2010 survey by the Central Bank of Nigeria categorizes barriers to financial inclusion as follows:

- i. Demand – side barriers: these are challenges faced by business owners arising from irregular income, lack of employment, and low literacy levels.
- ii. Supply – side Barriers: these are challenges brought about by long distance to financial access points, prohibitive cost of financial services and inappropriate financial products
- iii. Regulatory Barriers: these are challenges occasioned by cumbersome collateral requirements, lack of trust in the financial services provider and high rate of corruption in the quest for access to credit on the part of businesses

2. LACK OF TECHNICAL AND MANAGERIAL SKILLS

In Nigeria, small and medium enterprises operate in business environment, characterized by competition, high input costs, adverse economic climate, inconsistent public policies, lack of access to funding and poor institutional support. Most often

the business owners are ignorant about the environment and how they can impart on their businesses. These challenges call for small and medium entrepreneurs to acquaint themselves with core management skills and competencies, especially as they relate to book keeping, product and services technical matters, human resources management and marketing matters.

3. FAMILY CHALLENGES

Business owners in Nigeria put in long hours and struggle for resources to keep their businesses afloat. These often tell on their families, and sometimes friends who feel they are not attended to. These challenges often lead to divorces and lack of discipline and good character among children.

4. LACK OF INFRASTRUCTURE

The Nigerian business environment faces acute challenges of infrastructure deficiency. Constant power failure is rampant, while the cost of providing alternative power supply is high.

There is inadequate transportation network for movement of goods and services just as there is inadequate information and support from the Government and its relevant agencies. The legal frame work is slow in dealing with critical business issues such as copy right violation and standards.

5. BUSINESS TO BUSINESS NETWORKING PLATFORM

There is inadequate business platforms where businesses can meet, network, share information among themselves.. Such platforms are required so that entrepreneurs could have common voice, create synergy, and share information on areas of business opportunities.



NATIONAL YOUTH EMPOWERMENT PROGRAMME

Youths are the foundation of any society. Through their creative talents and labour power a nation makes giant strides in economic development and socio – political achievements.

When properly harnessed, the energy, innovativeness, character and orientation of youth define the pace of development and the security of a nation; since in the dreams and aspirations of the youth a nation can find motivation, vitality and purpose. An illustration of this is already found in Nigeria fashion, movies, music and creative arts of bead making, where Nigeria have been penetrating the global market place with lightning speed; creating wealth and self-esteem for the Nigerian youth, while promoting the expression of Nigerian culture and talent.

ISSUES IMPIGING THE NIGERIAN YOUTH

With the youth population of Nigeria standing above 60%, it is the collective responsibility of Nigerian Governments and Institutions to constantly identify and address the needs and problems of the youths.

The first step towards achieving this is to recognize that the Nigerian youths needs to be mobilized, engaged, enlightened, reoriented, and involved through participation in socio- economic activities.

The experiences of Nigeria Entrepreneurs Forum through youth entrepreneurship development programmes reveals that the condition of Nigerian youth still leaves much to be desired. More needs to be done to:

- ✚ Empower them economically through funding, training and institutional support.
- ✚ Re – energize them through motivation, by encouraging them to have hope in the Nigeria State.

- ✚ Retraining them and giving them opportunities to express themselves and be heard.
- ✚ Engaging them through participation in the task of governance, nation building and socio economic development across the board.

CHALLENGES FACING THE NIGERIAN WOMAN

The role of women in the society cannot be under estimated. The comfort and satisfaction of the woman guarantees peace at the home front necessary for men to excel in their economic endeavors. Yet, the Nigerian woman tends to experience setbacks in the economic main stream, resulting from:

- ❖ Cultural barriers
- ❖ Lack of access to capital, means to securing funding, and gender disparity
- ❖ Social exclusion as well as
- ❖ Lack of genuine institutional support.

With the population of women in Nigeria now equal to those of men, the need to integrate women into the socio economic main stream is highly desirable. This is due to its numerous advantages, among which are;

- ❖ The ability of the woman to generate income and employment for herself and for her immediate family.
- ❖ To provide her the avenue to make contribution to the nation's economic growth.
- ❖ To provide her the room for self-actualization and fulfillment.
- ❖ It maximizes her value to the family and society at large.
- ❖ It enhances the productivity of children through proper upbringing, leading to the development of an overall stable and progressive society.

Following the above, Nigeria Entrepreneurs Forum (NEF) believes that entrepreneurship development is the only answer to Nigeria's challenges.

The small business started today stand to grow big in no time and able to absorb the labour force. NEF believes the society's problem will continue to be entrepreneurs' opportunities. Indeed small businesses are the bedrock of any economy. They are able to reduce poverty, make contributions to GDP and provide antidote for rural - urban migration. They pay taxes as well as serves as sources for innovation, technological change and competitive advancement. For the small business owner, entrepreneurship provides instant job opportunity, promotes self - esteem, financial freedom and the patriotic feeling that he is contributing to the growth of his immediate community and the society at large. Entrepreneurship is not gender sensitive. Its benefits accrue to the entrepreneur whether he is a man, woman, or youth in so far as he is meeting economic needs.



NEF STRATEGY THROUGH NATIONAL YOUTH EMPOWERMENT PROGRAMME.

Nigeria Entrepreneurs Forum (NEF) recognizes the threats of massive youth unemployment and restiveness as well as the anti-social behaviors of women and youths when not economically engaged. NEF embarked on combating idle human capacity to economic activities through entrepreneurship development by launching its National Youth Empowerment programme.

Established since 2015, the programme aims at creating 2,000 start-up businesses across the Federation every year. The start-up businesses are provided between N100, 000 – N5, 000, 000 funding assistance on competitive basis. Winners receive skills training, funding assistance, mentorship and institutional support until the business attains growth stage.

This in a nutshell has been the guiding principle of Nigeria Entrepreneurs Forum: to propagate self-reliance, the pursuit of opportunities and the acceptance that Government policies and programmes may be inadequate to guarantee our individual and collective development.

This belief has provided Nigeria Entrepreneurs Forum the impetus to be innovative, visionary, and to provide qualitative leadership to the admiration of its teaming members and followership. It is also through this vision that we recognize that inventing our funding mechanism to meeting the financial demands of entrepreneurs would be two steps ahead, rather than wait for the theoretical and hard to access funds being paraded by various strata of the financial sector.

The Nigeria Entrepreneurs Forum Assistance in Development (NEFAID) funding assistance process recognizes the challenges being faced by would be and existing entrepreneurs especially women and youth, following the National financial inclusion status report in Nigeria which highlighted that a total of 39.2 million adult Nigerian (46.3% of the 84.7 million adult population) were financially excluded and that 54.4% of the excluded population

were women; 73.8 were younger than 45 years.34.0% had no formal education and 80.4% resided in rural areas.

NEFAID PROGRESSION

Nigeria Entrepreneurs Forum Assistance in Development (NEFAID) is the funding vehicle of NEF. It maintains web portal targeted at Facebook, You tube, Twitter, and other relevant social media as well as Crowd funding techniques to raise funds to actualize NEF assistance in development initiatives as well as reach subscribers to compete for assistance under the National Youth Empowerment Programme (NYEP). Prospective entrepreneurs are required to purchase entry forms from participating Banks or upload required information through the portal after which they can be considered for assistance. Applicants are required to submit a 5 page business plan covering their:

- ❖ Business concept.
- ❖ Vision.
- ❖ Mission.
- ❖ Possible impact of the business on the immediate community it hopes to be located.
- ❖ How much fund will be required to start the business?
- ❖ How long the fund can be repaid?
- ❖ CV of the applicant / business promoter.
- ❖ Address of the applicant, state of origin, town of resident etc.

SCOPE AND FUNDING MECHANISM

NEFAID shall provide funding assistance to businesses annually in line with aspirations of NEF. Funding assistance shall be spread across Nigeria at rural and urban levels.

AREAS OF FUNDING ASSISTANCE

Target areas of investment interest are unlimited. This is to allow for innovative business ideas to be given critical evaluation and acceptance by the project evaluating committee before funding assistance is given. However, priorities shall be accorded the business portfolios with gestation periods of six months or less in the following fields:

- ❖ Agro-allied value chain
- ❖ ICT / Telecom
- ❖ Creative industry
- ❖ Transportation / Auto mechanical
- ❖ Fashion and beauty
- ❖ Light manufacturing
- ❖ Mining
- ❖ Others.

NEFAID funding assistance shall be distributed in the following manner:

1. 500 MSME start-up at N200, 000 -	N100 MILLION
2. 400 MSME start-up at N500, 000 -	N200 MILLION
3. 300 MSME start-up at N1, 000, 000 -	N300 MILLION
4. 300 MSME start-up at N2,000, 000 -	N600 MILLION
5. 200 MSME start-up at N3, 000, 000 -	N600 MILLION
6. 200 MSME start-up at N4, 000, 000 -	N800 MILLION
7. 100 MSME start-up at N5, 000, 000 -	N500 MILLION
2, 000 MSME	N3, 100, 000, 000.

TWO THOUSAND (2,000) MSME START-UPS SHALL REQUIRE N3, 100, 000, 000.

Admin / consultancy charges N900 MILLION

Expected Reserve N1 BILLION

EXPECTED RETURN ON INVESTMENT

N3, 100, 000, 000 * 8% p.a -	N248, 000, 000
N248, 000, 000 * 5Years -	N1, 240, 000, 000
Interest on Reserve at 20% * 5years -	N1, 000, 000, 000
Expected return on investment for 5Years -	N2, 240, 000, 000

FUND GENERATION

1) Start-up funding:

Start - up funding is expected to be raised through Crowd funding techniques commencing with subscription through NEFAID Web portal.

We hope to target initial 10,000 hit at N2, 000 each.

These funds shall be used for project marketing, staffing, branding, and packaging, promotion, transportation and communication to local and international destinations.

2) Sustenance funding:

NEF recognizes the importance of sustaining the programme with local and international collaboration. It is expected that once launched the local and international donor agencies with interest in the economic development of Africa shall be attracted to participate in the programme. The following sources will be approached for collaboration, partnership and support:

- ❖ Federal Ministry of Industry, Trade and Investment
- ❖ Federal Ministry of Youth Development
- ❖ Federal Ministry of Women Affairs
- ❖ State Governments
- ❖ Agencies.

a) local sources

- Dangote Foundation
- Emeka Ofor Foundation
- Elumelu Foundation
- Wealthy Nigeria Philanthropists
- Development Partners – National Economic Reconstruction Fund.

b) International donor Agencies and charity organizations

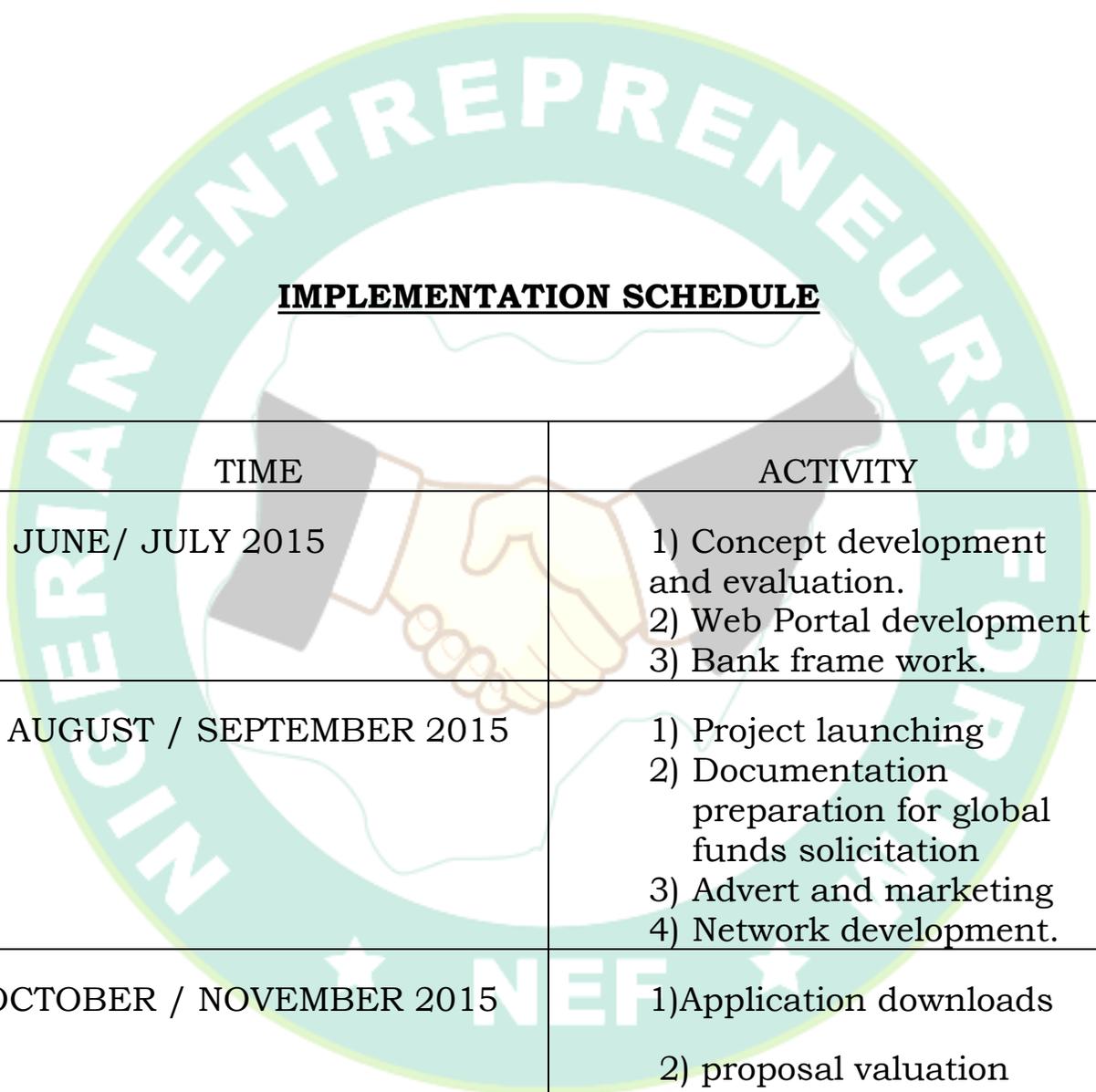
- Global Giving
- Global Funds
- Bill Gate Foundation
- Amplify Change
- Humanitarian Innovation Fund
- USAID
- Partners for Development

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- Comic Relief
 - The European Union
 - United Nation Group
 - Japan Embassy
 - German Embassy
 - Canadian Embassy
 - Indian Embassy
 - Chinese Embassy
 - Dutch Funds
 - ECOWAS
 - Diaspora Funds
 - Belmont Forum
 - The Diplomatic Fellowship Program
 - ISS Foundation
 - Social and Environment Enterprise in Countries with developing and emerging economies
 - The Royal Commonwealth Society
 - CTA Grants for NGOs in developing Countries
 - Nestle Corporation
 - The Global Good Fund
 - The Intrapreneurs development experts.

**FUNDING ASSISTANCE THROUGH CORPORATE SOCIAL
RESPONSIBILITY.**

- ❖ Shell Petroleum Development Company (SPDC)
- ❖ Exxon Mobil Petroleum Corporation
- ❖ NNPC
- ❖ NLNG
- ❖ Diamond Bank
- ❖ Zenith Bank
- ❖ FCMB
- ❖ Nigerian Breweries
- ❖ MTN
- ❖ Globacom
- ❖ Etisalat
- ❖ Airtel
- ❖ The Stallion Group
- ❖ Others.





IMPLEMENTATION SCHEDULE

TIME	ACTIVITY
JUNE/ JULY 2015	<ol style="list-style-type: none">1) Concept development and evaluation.2) Web Portal development3) Bank frame work.
AUGUST / SEPTEMBER 2015	<ol style="list-style-type: none">1) Project launching2) Documentation preparation for global funds solicitation3) Advert and marketing4) Network development.
OCTOBER / NOVEMBER 2015	<ol style="list-style-type: none">1)Application downloads2) proposal valuation3) Interviews and screenings.4) Selection and contracts.

DECEMBER / JANUARY 2015	<ol style="list-style-type: none"> 1. Enterprise launch 2. Programme assessment 3. NAYEP Publicity 4. NEFAID Publicity 5. Consultant / services provider engagement.

AREAS OF MICRO ENTERPRISE

1. Leather Works
2. Poultry
3. Snail
4. Fruit Juice
5. Recharge Card Production
6. Mining
7. Block Molding
8. Water Sachet / Bottling
9. Fish Farming
10. Knitting
11. Events Management
12. Training Services
13. Oil
14. Baking
15. Baking / confectionaries.
16. Software
17. Feeds Production

18. Garment and Textile production
19. Hair dressing and Cosmetology
20. Paint Production
21. Cooking Services
22. Cattle Rearing
23. Facility Management
24. Soap Making
25. Nylon production
26. Candle production.

