

Nigeria launches \$618m tech fund for young investors

Nigeria launched a \$618m fund on Tuesday, 14 March, to support tech and creative sectors for young investors who struggle to raise capital in Africa's largest economy.



Nigeria's Vice-President Yemi Osinbajo speaks with youths as he prepares to leave the venue of the launch of Google free wifi project in Lagos, Nigeria on 26 July 2018. Reuters/Akintunde Akinleye

The fund - targeting 15 to 35-year-olds - comes at a time when there are concerns locally about the failure of US startup-focused lender SVB Financial Group, which has supported startups in Nigeria.

So far only Chipper Cash, a cross-border payments startup, has said it had \$1m in SVB. Some of the biggest startups, including e-commerce firm Jumia and Africa-focused fintech firm Flutterwave, told *Reuters* they had no exposure to the bank.

Vice president Yemi Osinbajo launched the \$618m fund under the Investment in Digital and Creative Enterprises (Idice) in the federal capital Abuja, the presidency said in a statement.

\$70m from Islamic Development Bank, the presidency said.

The government through the Bank of Industry Nigeria will release \$45m while the private sector pledged \$217m .

"Idice is a government initiative to promote innovation and entrepreneurship in the digital tech and creative industries and especially targeted at job creation," Osinbajo was quoted as saying at the launch of the fund.

Nigeria has the largest number of startups in Africa - mostly in tech and fintech - which have pulled funding from overseas banks and venture capital firms.

But most startups still struggle to attract funding because banks demand that they provide collateral, which they do not have.

For more, visit: <https://www.bizcommunity.com>