

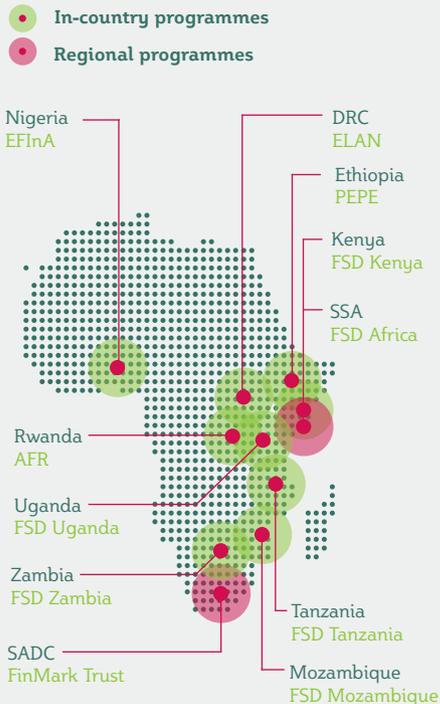
FSD Africa

REDUCING POVERTY
THROUGH FINANCIAL SECTOR DEVELOPMENT



What is the FSD Network?

FSD Africa is part of a family of financial sector deepening or 'FSD' programmes across sub-Saharan Africa.



The FSD Network has

> **140**  STAFF

... and grants and invests

> **£50** MILLION A YEAR

on financial market development priorities such as agriculture, mobile money, insurance, SME finance, policy and regulation, remittances and fintech.

FSD Africa strengthens the FSD Network by convening, building the capacity of and co-ordinating its members.

What is FSD Africa?

Based in Nairobi, Kenya, Financial Sector Deepening Africa (FSD Africa) is a non-profit company funded by UK Aid from the Department for International Development (DFID). It transforms financial markets in sub-Saharan Africa and the economies they serve to create jobs, build resilience and reduce poverty.

FSD Africa provides technical know-how and risk-bearing capital to champions of change whose ideas, influence and actions will make finance more useful to African businesses and households. It operates as a “market catalyst” and follows the “making markets work for the poor (M4P)” approach, which advocates for development impact at pace and scale, but critically, which lasts beyond the lifetime of any given project or transaction.

Through financial inclusion initiatives, FSD Africa builds access to finance at individual and household levels. Through its capital market development work, FSD Africa increases investment into infrastructures and enterprises that drive inclusive economic growth and transformation. As a regional platform, FSD Africa encourages collaboration, knowledge transfer and market-building activities both within and across borders, and especially in fragile and conflicted-affected states (FCAS).

Where there are opportunities to drive financial market transformation more quickly and intensively through capital investment, FSD Africa will deploy equity, loans or guarantees as the situation requires.

FSD Africa's vision emphasises transformation



Financial markets that are deeper and broader.

Financial markets that are useful - to people, businesses and society.

Financial markets that enable structural economic transformation.

FSD Africa's focus areas

FSD Africa structures its work into the following pillars:

Financial Institutions

This FSD Africa team provides advisory services to deliver creative solutions to high potential financial institutions and platforms. This enhances their capacity to profitably offer financial products and services to excluded, vulnerable, low-income people in sub-Saharan Africa.

Financial Systems

This FSD Africa team supports financial inclusion policy, research and capacity building initiatives in a range of thematic financial market systems across sub-Saharan Africa, including credit, affordable housing finance, insurance, remittances, financial integrity and savings groups.

Financial Markets

This FSD Africa team leads the transformation of capital markets into a credible source of long-term financing for the real and social sectors in sub-Saharan Africa. To do this, it drives policy and regulatory reform, builds capacity, supports pioneering models through investments and forges new partnerships.

Financial Investments

This FSD Africa team is the organisation's investment arm. On a case-by-case basis, it provides returnable grant, debt and equity capital to pioneering financial service firms and funds that build inclusive financial markets in sub-Saharan Africa.

Director's Office

This FSD Africa team leads on the organisation's partnerships and special projects, which include fragile states programming and strengthening of the FSD Network. It also houses FSD Africa's measurement and communications functions.

FSD Africa's products

FSD Africa works with its partners in three main ways:



Convening and Connecting

Building useful partnerships between financial market actors and other important stakeholders in sub-Saharan Africa through e.g. event hosting, working groups, introductions etc.



Advocacy and Advisory

Providing technical assistance and market intelligence to financial market actors and other important stakeholders in sub-Saharan Africa through e.g. targeted guidance and insights, training programmes, market sizing, change management processes, business model development etc.



Investment

Providing full spectrum financial resources – (returnable) grants, guarantees, debt and equity – to financial firms and funds at a risk appetite, price, time-horizon and ticket size that fill a clear need in the sub-commercial investment space in sub-Saharan Africa.

What have we achieved so far?



Working in over 20 countries and alongside over 150 financial institutions, the FSD Africa team has helped design, strengthen and roll out credit, savings and insurance products to over 1.7 million clients in sub-Saharan Africa, especially amongst the vulnerable and excluded, as well as women.



FSD Africa has initiated an inclusive capital market development programme, which has made excellent progress in Islamic finance, green bonds, local currency bonds, inter-bank lending, professional certification as well as capital market master planning in Rwanda, Kenya and Uganda.



FSD Africa is capitalising centres of excellence in financial sub-markets that are fundamental to the development of sub-Saharan Africa in affordable housing and digital finance capacity building.



Through connecting, capacity building and co-ordination, FSD Africa has strengthened the capability of ten other FSD programmes in sub-Saharan Africa to build inclusive financial markets in DRC, Ethiopia, Kenya, Mozambique, Nigeria, Rwanda, South Africa, Tanzania, Uganda and Zambia – a £360 million resource since 2005.



FSD Africa teams have taken the financial market building approach out of East Africa and into some of the continent's most fragile markets including DRC, Sierra Leone, Zimbabwe, as well as refugee settlements and host communities.

What we seek to achieve by 2022?

AT LEAST 20 financial institutions supported on transformative business model development



FSD Africa Capital Market Development footprint increased in SSA.

Sustainable credit market growth in at least 3 countries as a result of FSD Africa's interventions.



At least 1 crowd funding platform providing sustainable access to donation or micro-credit capital in at least 2 refugee camps reaching

AT LEAST 20

SSA financial institutions in 8 countries supported with sustained access to and use of data analytics services.

A widened investor base that crowds in

AT LEAST £100 MILLION of capital market investments.



Investment capital used to create jobs, catalyse private sector investment and build markets in challenging settings.

AT LEAST 200,000 REFUGEES

£50 MILLION

in capital invested in at least 15 investments.



Sustainable Chartered Institute & Investment training programmes in 8 target countries.

AT LEAST 5 transactions providing the demonstration effect of alternative finance e.g. Islamic Finance or green bonds.



Two remittances corridors developed, benefitting at least 200,000 small cross-border traders in the initial instance (5 years). Special focus on corridors involving fragile states.



At least 1 fragile state internationally rated for the first time.



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