BlueOrchard Covid-19 Emerging and Frontier Markets MSME Support Fund

Fund Manager: BlueOrchard Finance Ltd

BlueOrchard is a leading global impact investment manager that is dedicated to generating lasting positive impact for communities and the environment, while aiming to provide attractive returns to investors. BlueOrchard’s Covid-19 Emerging and Frontier Markets MSME Support Fund is a facility set up to address the liquidity and solvency challenges faced by MFIs due to the Covid-19 crisis.

OUR INVESTMENT

- FSDAi made an exceptional Covid-19 response investment in BlueOrchard to support MFIs to access liquidity during the pandemic and provide a rapid response to poor households and micro and small businesses impacted by the fallout of COVID-19.
- FSDAi provided high-risk capital by investing in Junior Limited Partnership Interests acting as a first loss buffer to the Senior Limited Partnership Interests (part of the AfrAsia sub-fund that lends to African and Asian MFIs). This approach not only secured investors’ commitment to the fund but also ensured that Africa received a fair share of the fund’s investment. The Fund raised $235.78 Million as at October 2022.

Providing solutions to the liquidity and solvency challenges of inclusive financial services institutions caused by volatility in financial markets

Sector
Financial Markets

In portfolio since
2020

Countries covered

Tanzania
Kwanzia
Nigeria
Botswana
Kenya
Burkina Faso

Our role
COMMITTED CAPITAL:
£7.2 M

INSTRUMENT
Junior Limited Partnership Interest
MARKET DEVELOPMENT

- Our investment permitted financial institutions in emerging and frontier markets access to emergency liquidity to manage the impact of Covid-19 on their operations and portfolios and avert insolvency.
- Our investment provides a “test and learn” to the relevance of a liquidity facility to permit MFIs to navigate financial market volatility.
- BlueOrchard has enabled MFIs to continue to lend, MSMEs and informal businesses to remain operational and preserve revenue across sectors, and employees and poor households to stabilize incomes during and after the Covid-19 crisis.

“The BlueOrchard’s Covid-19 Emerging and Frontier Markets MSME Support Fund is a key facility that will help mitigating some of the challenges of the pandemic. We thank the FSD Africa Investments team for supporting our efforts to provide vital financing to micro, small and medium-sized enterprises in Africa. We are proud that we have successfully brought together a renowned group of public and private actors to pave the way for recovery and preserve vital jobs across sectors.”

Philipp Mueller,
Chief Executive Officer
BlueOrchard Finance Ltd

IMPACT TO JUNE 2022

- **4,510**
  - Jobs created
- **4 Million**
  - MSME reached by MFIs in the Sub-fund’s portfolio who continued to operate and provide support through the COVID pandemic
- **92%**
  - Women served by the fund, spread across mostly peri-urban and rural areas

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