

# FSD Africa / FSDAi Venture Finance Platform



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## The Challenge



**Insufficient risk capital** for early-stage businesses



**Gender Finance gap**



**Technical Capacity constraints** early-stage businesses have inadequate structures that qualify for mainstream impact investments



**Inadequate market information** - Untested new investment structures, models, and financing solutions



Emerging capital allocators **lack track record**



**Inst. Funder Capital Constraints**, relating to ticket size

## The Opportunity

### Early Stage/Venture Finance

FSD Africa's Venture Finance Platform (a partnership between FSDAi and FSD Africa's Early-Stage Finance Pillar) supports an emerging asset class of intermediaries that provide climate and gender-intentional financing solutions for early-stage businesses operating in the climate & real economy sectors.

# 250

Estimated universe of early-stage business-oriented funds across Africa, of which FSDAi has already screened 125

# \$3Bn

Target capital raise by early-stage business orientated Alternative Local Capital Providers\*

### Market Building Purpose

- Demonstrate an emerging asset class
- Validate alternative models of early-stage business financing
- Build scalable funding and support solutions for early-stage business financing

## Current Venture Portfolio (\$32.31m)

### Climate Smart Portfolio

#### Climate Focused Funds

#### Investment Criteria

- Climate smart investments
- Local teams/networks
- Early Stage/ first time fund
- Ability to source unique pipeline opportunities

### Nyala Facility

#### Alternative Local Capital Providers

#### Investment Criteria

- Small, growing businesses focus
- GLI strategies
- Alternative capital structures
- Local teams/networks
- Early Stage/ first time funds

### Venture Launching Portfolio

#### Supporting Venture Builders

# FSD Africa / FSDAi Venture Finance Platform (2)

## Supporting development of a new market

