







## FSD Africa / FSDAi Venture Finance Platform

## 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

#### Investments

#### Climate Smart Portfolio













## **Nyala Facility**













#### **Venture Launching**





## **Portfolio Capacity Strengthening**

#### **Investment advisory**

- Thesis/strategy
- Deal structuring
- Risk management
- ESG, Impact & GLI Governance
- GP mentoring

## **VB-testing support**

- VB approaches
- Pre- and post-investee service testing
- Gender strategy design
- Carbon finance integration

## **CFF** grant

- Early-Stage Capital Provider Network
- Annual Convening

2X Ignite GP **Africa Sprint** 

Other capacity strengthening initiatives

## **Cohort-wide** learning & shared services

- Governance for new managers
- "Greening Nyala" Climate smart advisory
- GLI beyond counting women
- Cross-portfolio analysis
- Tech platforms for improved portfolio management

## **Learning Lab**

#### CFF

- ALCP case studies
- **CFF Annual Survey**

#### **Cohort Briefs:**

- Good governance for emerging managers
- Climate-smart Frameworks for non climate funds
- GLI for climate funds

#### **Ecosystem Reports**

- Enterprise segmentation & growth pathways
- Financing needs assessment
- ALCP strategy performance

Further testing & portfolio diversity building



In design

**Grants for** 

bespoke

manager

support

e.g. Portfolio

management

software, GLI

