

Catalysing Africa's growth through sustainable capital markets

A PROGRESS REPORT





FOREWORD

Mark Napier

Chief Executive Officer
FSD Africa

As Africa grapples with high sovereign debt and growing financing requirements for priorities occasioned by climate change, biodiversity loss, geopolitical shifts and demographic changes, capital markets are playing an ever-increasing role.

Our work in building capital financial markets is critical in unlocking the billions needed to power Africa's sustainable development. By deepening African capital markets, we can address the challenges that hinder the mobilisation of capital in the continent and leverage the over \$2 trillion in domestic assets under management across the continent for green economic development.

Since our establishment in 2012, we have seen substantive progress in the state of Africa's capital markets – from the diversity of participants and financing instruments such as green bonds and gender bonds to the blending of public and private sources of finance, these advancements are opening pathways for capital mobilisation at scale.

We are proud to be on the frontlines of Africa's capital markets transformation. FSD Africa's dedicated team of capital markets development professionals is working closely with policymakers, regulators, financial institutions, professional associations, think tanks, academic institutions, and development partners in pioneering capital market development initiatives that have helped mobilise more than US\$1.2 billion for African governments and the private sector.

Still, much remains to be done; most African capital markets remain underdeveloped with limited private sector investment. FSD Africa's role as a neutral facilitator continues to be very relevant in driving systemic change in capital markets. Our ability to intervene with a wide range of financial and non-financial tools enables us to contextualise our support to African financial market stakeholders. We are set apart by our agility, the strength of our relationships with Africa's decision-makers and our willingness to take risks.

The report provides an overview of the state of Africa's capital markets and the approach FSD Africa is taking to build markets that respond to the continent's financing needs. We highlight our intervening tools, the impact of our interventions and what we are learning from our work.

In Ethiopia, our support of the government in developing a capital market from scratch is an example of the transformative impact of market building. We've facilitated the development of key policy and regulatory frameworks, and critical market infrastructure such as the Ethiopian Securities Exchange and the Central Securities Depository. We are now supporting the development of capital market products such as green bonds, municipal bonds and Islamic finance instruments while strengthening the capacity of government and private institutions.

In East Africa, we have supported the establishment of Dhamana Guarantee Company, a unique venture that will connect significant untapped pools of domestic institutional capital with real-economy investment opportunities by providing guarantees to address investment risk. This is expected to increase the access and affordability of local capital for enterprises, providing new low-risk opportunities for local investors.

The future of Africa's capital markets is bright. We are excited to continue working with our partners to drive widescale change. We have ambitious goals to support the mobilisation of long-term, local currency finance to address tenure and currency mismatches in the financing of African investment opportunities. We will double down on catalysing private sector investment particularly from domestic institutional investors, while working closely with governments on sovereign debt management initiatives.

Our impact and future ambitions are only possible because of the strong support of our main funder, the UK government's Foreign, Commonwealth and Development Office (FCDO), and other like-minded development partners that share FSD Africa's vision for capital market development. With their support, we are developing capital markets that enable environmental progress, economic development and resilience for Africa's vulnerable communities and states.

I encourage you to engage with this report and reflect on the progress made, and the work that lies ahead in ensuring that Africa's capital markets become the engine for inclusive, climate-resilient development.



FOREWORD

Evans Osano (DBA)

Director, Capital Markets Pillar
FSD Africa

As our global landscape undergoes rapid change, the need for sustainable and long-term financing solutions in Africa has become increasingly urgent.

Our capital markets building work entails working at four main levels: Supporting policy and regulatory reforms, developing market infrastructure, developing demonstrative capital market products and strengthening partnerships and the institutional capacity of market actors through convening, advocacy and insights. Our goal is to deepen Africa's capital markets and facilitate the mobilisation of long-term capital at scale.

Africa is highly bank-dominated and not fully leveraging capital markets for long-term financing in local currency. Yet, the financing needs of the continent are ever growing, with significant financing needed to address climate change, infrastructure development and to enable enterprises create jobs for a rapidly growing and urbanising young population. However, available pools of domestic institutional capital, estimated to cross the US\$7 trillion mark by 2040 remain very risk averse.

FSD Africa is a pathfinder in testing and scaling up capital markets products and structures. FSD Africa has been working with partners in the public sector (ministries of finance, central banks, securities regulators and pension regulators) to improve the environment for developing and investing in capital markets products and instruments.

Our flagship programmes have included the Africa Regulatory Support Programme (ARSP) which provided institutional strengthening support to eight capital markets regulators in Ghana, Kenya, Nigeria, Rwanda, Uganda, West Africa Economic Monetary Union (WAEMU), Zambia and Zimbabwe in developing capital market masterplans and policies and regulations to facilitate innovative capital market products. Its successor programme, ARSP II, is expanded to include Ethiopia, Morocco and Tanzania.

We have pioneered the development of the green and gender bonds market in Africa, helping sovereign and corporate issuers raise over US\$1.2 billion in local currency. Beyond this, we developed toolkits for institutions that would seek to issue such bonds. These include a Gender Bonds Toolkit, an Islamic Financing Toolkit and a Green Bonds Toolkit.

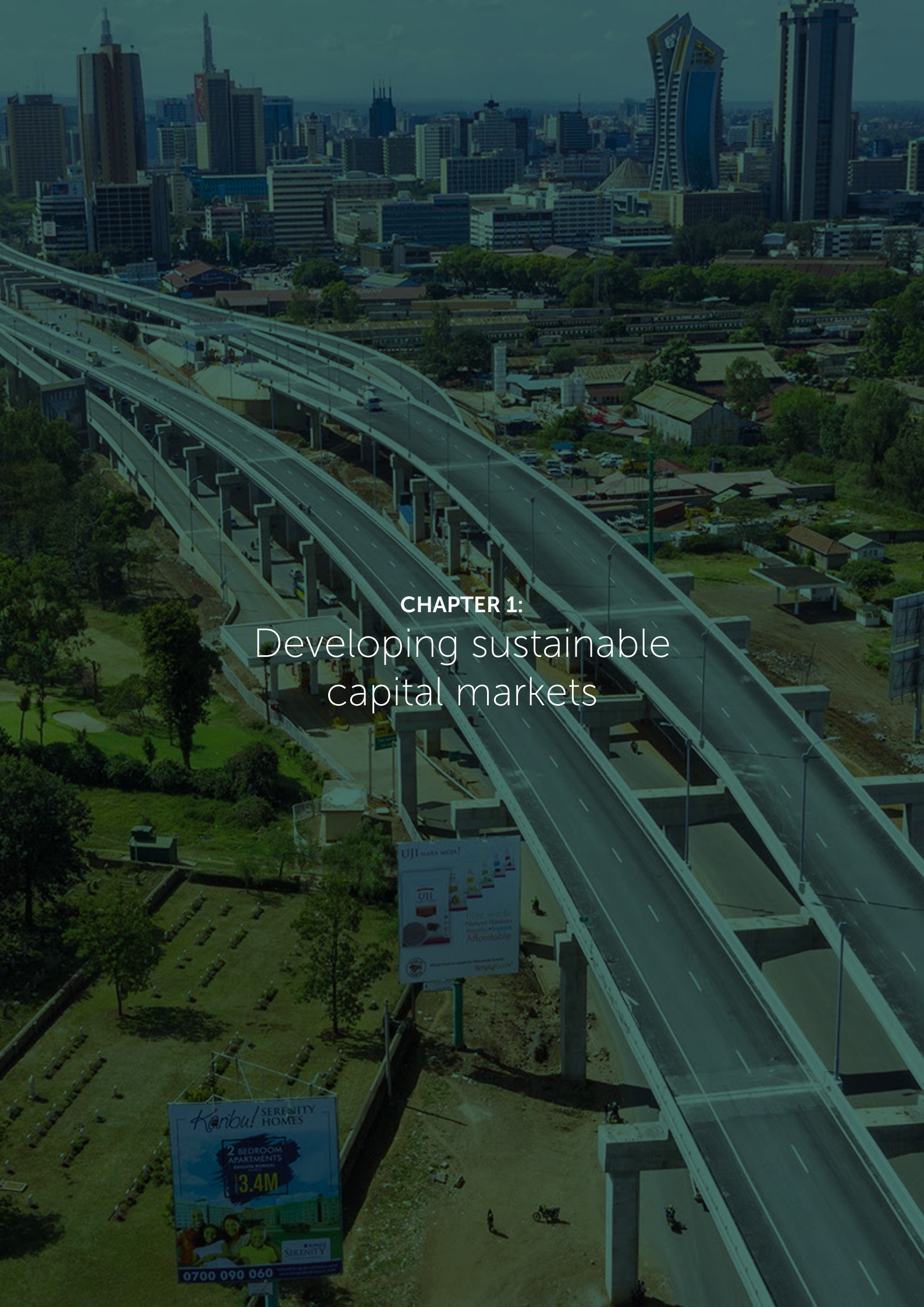
We have also led disruptive market infrastructure projects such as the Ethiopian Securities Exchange (ESX), Dhamana Guarantee Company, the electronic trading platform (ETP) in the WAEMU region and the EABX, a bond exchange in East Africa.

Our flagship demonstration capital market products have included the Local Currency Solution for Multi-lateral Development Banks (MDB) Portfolio Transfer initiative aimed at refinancing MDB portfolios with domestic institutional capital. This was in response to the MDB Capital Adequacy Framework (CAF) reforms by G20. We are also developing listed SME funds in Kenya and Ghana, to mobilise at scale domestic institutional local currency capital to finance Micro, Small and Medium Sized companies that are the engines of job creation in Africa.

We are also involved in capacity building and establishment of industry-led entities to promote a cohesive approach to investment activity in Africa. FSD Africa curated the establishment of two regulator and industry bodies: Africa Pension Supervisors Association (APSA) and Pan-African Fund Managers Association (PAFMA) to accelerate the mobilisation of long-term capital to support Africa's economic and social transformation. These associations are working to improve pension coverage, grow assets under management and allocation to alternative investments that are critical in financing the private sector and improving outcomes for people and the planet.

Looking into the future, FSD Africa capital markets team is venturing into the areas of carbon markets and financing the energy transition in Africa. We are pioneering new capital market products such as carbon secured sustainability-linked bonds and innovative special purpose vehicles for specific sustainable development priorities.

It is time for Africa to seize the challenge and develop domestic initiatives that support the continent's economic transformation. The capital market is a powerful tool for achieving this because it enables the mobilisation of significant long-term, local currency capital at scale. This report shows what is possible.



CHAPTER 1:
Developing sustainable
capital markets

UJI SAKSI MASA
UJI
Tahu, siapa itu
Tingkat Penawaran
Keuntungan *Manfaat
Affordable

Karibu! SERENITY HOMES
2 BEDROOM APARTMENTS
Starting from
13.4M
0700 090 060

CHAPTER 1:

Developing sustainable capital markets



1.1 Introduction

Capital markets are key enablers of growth for Africa's economies. They play an important role in increasing access to finance for the public and private sectors, enabling the financing of important national and global priorities such as climate change mitigation and adaptation, and addressing biodiversity loss. Furthermore, capital markets can diversify the financial sector, reducing dependency on banks while supporting more efficient intermediation of domestic savings. Local currency capital markets reduce currency and refinancing risks and improve the financial sector's resilience to external shocks.

When we published our inaugural Capital Markets Impact Report in August 2022, Africa was at a crossroads. The continent was emerging from the COVID-19 crisis at a time when global growth was relatively muted and geopolitical tensions were conflating recovery.

Growth rates in Africa have since recovered, albeit unevenly. Inflation is trending lower while fiscal balances have improved. However, the macroeconomic environment remains challenging. According to the World Bank (2024), economic recovery in Sub-Saharan Africa will remain fragile, with growth projected at 3% in 2024 (from 2.4% in 2023) and rising to 4.2% in 2025. Financing conditions remain tight; less than a handful of countries have been able to access external markets and at steep borrowing costs. Many countries on the continent continue to face high debt burdens, leading to painful trade-offs.

Slow investment growth, conflicts, and climate change have continued to hinder Africa's growth. This growth has been insufficient to reduce extreme poverty and improve per capita

incomes. Africa has a great demand for finance to support public infrastructure development, climate change-related investments, and capital needed by households and businesses.

1.2 Leveraging domestic capital for Africa's financing priorities

Africa's total external debt stood at US\$1.152 trillion in 2023, representing 65% of GDP and posing significant currency risks for the continent. Domestic debt stood at US\$1.2 trillion, at high interest rates that have hindered private investment¹. African governments are highly indebted and access to international debt markets remains constrained.

The African Union (AU) Agenda 2 prioritises the development of capital markets on the continent to strengthen domestic resource mobilisation. Africa has large pools of its own capital - an estimated USD 2 trillion is held across pension funds, insurance firms and other institutional investment vehicles. However, very little of this domestic capital finds its way back to the real sector. These funds have a challenge finding the right mix of investments that meet their risk and return requirements—there just isn't enough "product" for them.

Various financing instruments are available for projects that can have a transformative impact on the continent's sustainable growth. Financing instruments or structures that better manage the risk/return profiles of investment opportunities in Africa would support a better allocation of this capital to the real economy.

¹ IMF World Economic Outlook 2024

FSD Africa has a noteworthy role in bridging the financing gap by facilitating partnerships that enable the mobilising of domestic private finance and deepening local capital markets. This aligns with FSD Africa's impact objectives, of delivering sustainable environmental benefits, unlocking economic opportunities and addressing fragility and vulnerability in Africa.

The financial sector is crucial in tackling real and social sector challenges such as poverty, gender inequality, climate change and biodiversity loss. FSD Africa's primary purpose is to make finance work for Africa's future by providing the tools and resources to drive large-scale change in financial markets and support sustainable economic development.

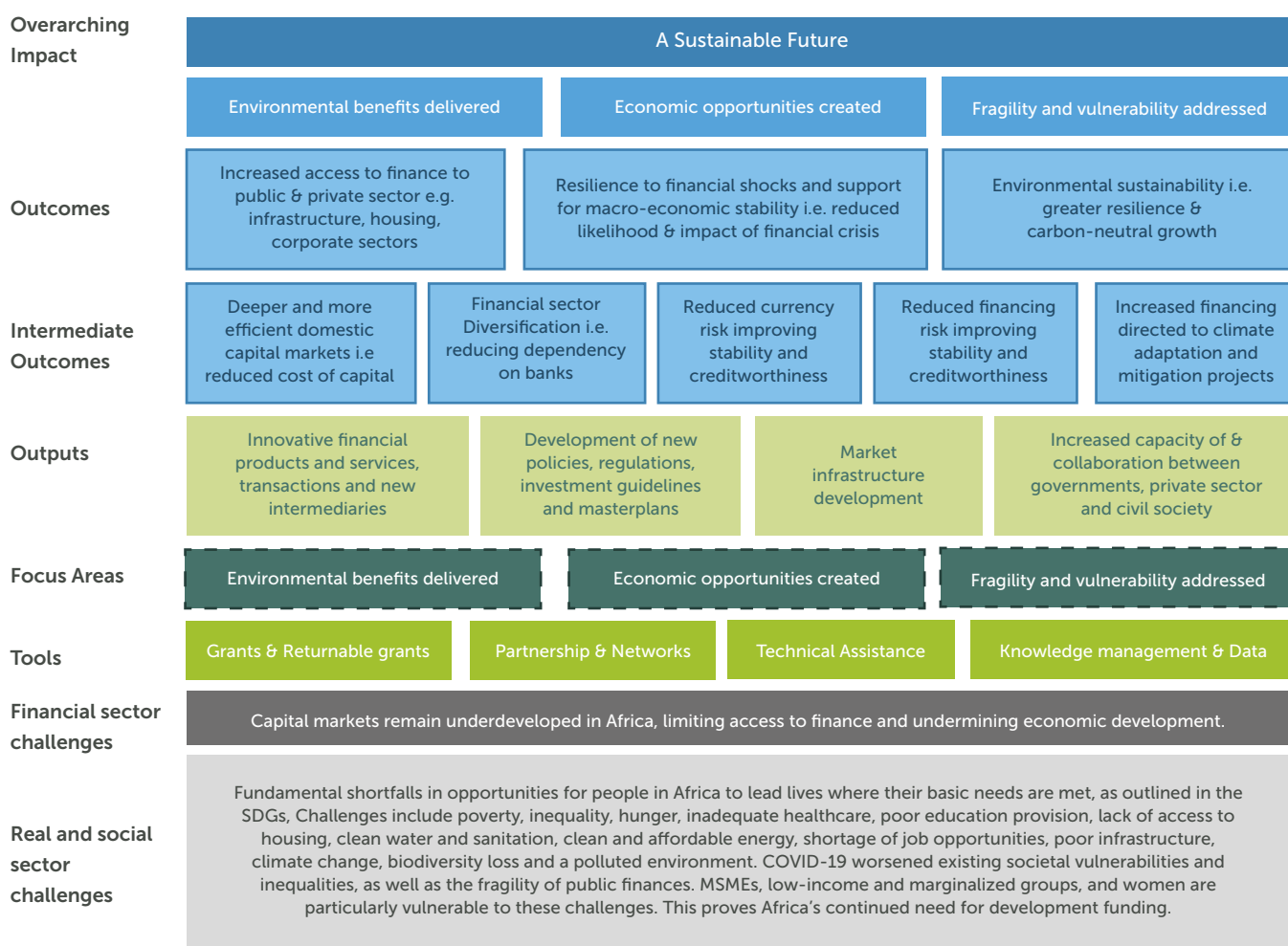
Some of the challenges capital markets in Africa face include:

- **A weak policy and regulatory environment**, especially for green and social finance, the digital economy, and the insurance market.

- An **underdeveloped financial sector** due to the small size of domestic economies, business environment, quality of institutions inadequate and financial infrastructure.
- **Highly volatile macroeconomic environments**, which exacerbate the original sin (i.e. the inability of peripheral economies to borrow abroad in their own currencies)²
- **Limited technical and operational skill gaps** in the public, commercial, and civil society sectors on crucial issues, including green and social finance, risk management, and prevention. This has hampered innovation in financial products and services.

Therefore, FSD Africa's capital markets team focuses on addressing intractable challenges in Africa's capital markets that limit their potential to mobilise finance for the continent's most pressing priorities. An illustration of FSD Africa's pathway to systemic change in Africa's capital markets and a sustainable future for the continent as follows:

Figure 1: FSD Africa Capital Markets Theory of Change

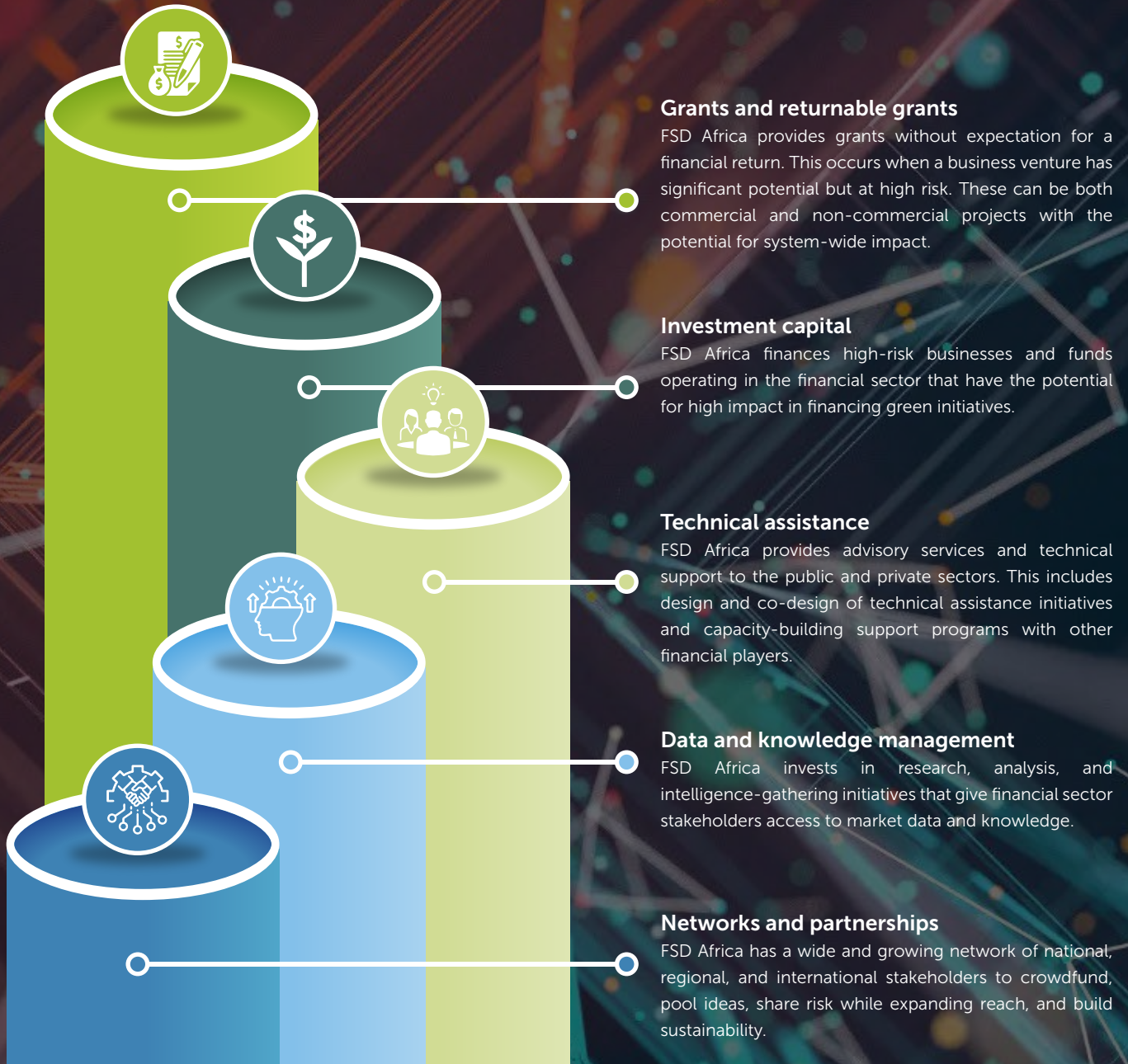


² <https://www.imf.org/-/media/Files/Publications/WP/2024/English/wpia2024018-print-pdf.ashx>

1.3 Our approach to capital market development

FSD Africa's Capital Markets team works alongside governments, development partners, business leaders, regulators, and policymakers to design and build ambitious programmes that make capital markets in Africa work better for everyone. FSD Africa utilises various tools to support its partners as follows:

Figure 2: FSD Africa Tools



We take a four-pronged approach to capital market development:



Policy and regulatory development

This creates a supportive environment to catalyse and sustain diverse capital market activities. This includes the development of government policies, institutional roadmaps, and regulatory frameworks that facilitate the growth of capital markets across Africa.



Market infrastructure development

We provide technical and financial assistance to establish essential market infrastructure, such as Over-the-Counter (OTC) platforms for fixed-income trading, stock exchanges, and credit enhancement tools. In some cases, FSD Africa has been involved in establishing capital markets from scratch.



Capital market product development

We offer technical assistance for developing investment instruments and structures, including thematic bonds and investment funds. Our support aims to demonstrate the viability of these instruments in mobilising long-term, local currency capital.



Advocacy, convening and insights

FSD Africa's regional initiatives promote knowledge sharing among stakeholders such as regulators and fund managers, encouraging peer learning and market-driven development. We also aim to strengthen the capacity of African financial sector institutions through training, practical toolkits and other knowledge initiatives.

An aerial, high-angle photograph of a bustling city intersection. The scene is filled with a dense crowd of pedestrians, many of whom are carrying items on their heads or backs. Numerous vehicles are present, including yellow and green buses, white vans, and cars. A prominent feature is a large, multi-lane overpass or elevated roadway that curves through the scene. The background shows several tall, modern buildings with balconies, suggesting an urban environment. The overall atmosphere is one of intense activity and movement.

CHAPTER 2:
Policy and regulatory
development

CHAPTER 2:

Policy and regulatory development

2.1. Our approach to policy and regulatory development

This approach catalyses market activity by creating a conducive and enabling environment that ignites and supports a wide range of capital market activities.

Collaborative delivery is crucial to policy and regulatory development. FSD Africa supports a variety of stakeholders, including capital markets regulators, securities exchanges, finance ministries, and financial sector regulators. FSD Africa engages a wide range of stakeholders, including the private sector, to ensure interventions are relevant and effective.

Over the years, FSD Africa has supported several interventions across Africa, in the areas of institutional capacity building, the development of capital market masterplans and the development of regulatory policies and regulations.

2.2. The impact of our policy and regulatory development interventions

FSD Africa provides various forms of technical assistance geared towards developing policies and regulatory frameworks for different institutions and entities in Africa. Below are some of the forms of technical assistance provided:

- **Regulatory frameworks and guidelines:** Assistance in drafting and updating laws, regulations, and guidelines.

- **Capital markets master plans and strategy documents:** FSD Africa helps countries develop comprehensive long-term plans for capital market development.
- **Capacity building:**
 - Institutional Capacity Assessments and Strengthening (ICA&S): These assessments evaluate the capabilities of capital market regulators across various domains, including human resources, IT, finance, and regulatory capacity. For example, an ICA was conducted for SEC Nigeria, which led to the development of a human resources transformation project to strengthen the capacity of the regulator. FSD Africa worked on various ICAs for capital markets regulators in Africa and a white paper on Financial Sustainability and Regulatory Proportionality of Capital Market Regulators in Africa³ to guide other regulators in carrying out ICAs and streamlining their internal processes and operations.
 - Training and workshops: FSD Africa organises training sessions and workshops to enhance the skills and knowledge of regulatory staff. For instance, a two-day sensitisation workshop was held in Lusaka, Zambia, as part of the development of their Capital Market Master Plan (CMMP).
- **Tax policies and frameworks:** Providing expert advice on tax policies related to capital markets. For example, FSD Africa onboarded an external consultant in Ethiopia to help design a tax framework that facilitates capital market growth.



³ Financial Sustainability and Regulatory Proportionality of African Capital Market Regulators
<https://fsdafrica.org/publication/financial-sustainability-and-regulatory-proportionality-of-african-capital-market-regulators/>

A summary of our impact on policy and regulatory development is as follows:

Institutional Capacity Assessments (ICA)

6
interventions

Institutional Capacity Strengthening (ICS)

2
interventions

Capital Market Master Plans

3
interventions

Strategy Plans

3
interventions

Regulatory Policies and Regulations

18
interventions



2.3. Case studies of our policy and regulatory development work

CASE STUDY 1

Africa Regulatory Support Programme (ARSP)

The Africa Regulatory Support Programme (ARSP) is an FSD Africa technical assistance program that builds the capacity of key institutions such as ministries of finance, central banks and capital market authorities to develop, monitor and enforce financial policies and regulations. It is critical to developing robust, competitive and ultimately poverty-reducing capital markets.

The first phase of ARSP (ARSP I) ran from September 2018 to March 2023 and covered interventions in eight countries and three regions. Through this programme, FSD Africa extended technical assistance to securities regulators in Ghana, Kenya, Nigeria, Rwanda, Uganda, Zambia, Zimbabwe and the West African Economic Monetary Union (WAEMU). The programme also involved cross-cutting initiatives with the Africa Middle East Regional Committee (AMERC) of the International Organization of Securities Commissions (IOSCO) on sustainable finance and listings.

FSD Africa's regulatory work under the ARSP has included the development of a capital markets master plan in Zambia, updating collective investment scheme (CIS) regulations in Kenya and strengthening the digital and human capacity of the Securities and Exchange Commission (SEC) in Nigeria.

The scope has also included providing tax advisory support on capital market products in Ethiopia, developing an Islamic regulatory framework for the West African Economic and Monetary Union (WAEMU) and supporting SEC Ghana in strengthening its bonds market.

Many of Africa's regulators grapple with inadequate financing and human resource capacity gaps, resulting in outdated regulatory and supervision technologies and frameworks. These challenges hinder the development of African capital markets to facilitate efficient allocation of long-term capital.

Following the success of the initial leg of the ARSP, FSD Africa recently approved a GBP 1.75 million programme (ARSP II) to continue supporting the policy and regulatory development of policymakers and regulators in Africa.

ARSP II will support regulators, exchanges and policymakers in Ghana, Zambia, Kenya, Nigeria, Ethiopia and the West African Economic and Monetary Union (WAEMU) in the following broad areas:

Figure 3: ARSP II Support



Ultimately, the goal is to continue laying the regulatory and infrastructural foundations for green and sustainable finance mobilisation. This shift in focus aligns with the emerging strategic priorities of most African national

governments that have green economic growth strategies/plans and Nationally Determined Contributions (NDCs) and aim to create an enabling environment for green finance.

CASE STUDY 2

Laying a policy and regulatory foundation for Ethiopia's capital markets

Ethiopia's capital market has made several strides since 2011, following concerted efforts by the Ethiopian government and stakeholders. These culminated in the passing of the Capital Markets Establishment Proclamation in 2021, which provided the legal basis for developing capital markets in the country.

This proclamation was a foundational step towards establishing a structured capital market ecosystem, including the Ethiopian Capital Market Authority (ECMA) and the Ethiopian Securities Exchange (ESX).

FSD Africa has been instrumental in working with sector players to support the development of a strong legal foundation for a robust capital market in Ethiopia. This legal framework supports economic development through enhanced capital mobilisation, financial innovation, and investment risk-sharing.

Some of the work done on establishing a policy environment for capital markets in Ethiopia has included developing policies and regulations for the country's nascent securities trading. FSD Africa also contributed inputs to developing directives for open market operations and standing facilities in Ethiopia.

Key to establishing a proper policy and regulatory foundation, FSD Africa provided technical assistance to the CMA in drafting the licensing directives. This includes leveraging the expertise of international consultants with capital market regulation experience. The technical assistance covers various aspects, such as legal drafting, regulatory impact assessments, and capacity building for the regulatory staff.

By supporting the development of a directive for collective investment schemes (CIS) FSD Africa aims to provide a framework for pooled investment vehicles, enhancing investment opportunities for retail and institutional investors. FSD Africa has also supported other directives, such as Ethiopia's capital markets licensing frameworks and public offer regulations. The interventions also include capacity building among would-be investors through an investor education strategy to build an investment culture in Ethiopia.

FSD Africa created tools and resources to educate potential investors about the capital market, its benefits, and associated risks.

A tax policy advisory document has also been developed to

guide the Ethiopian Ministry of Finance's capital markets taxation policy, addressing critical issues in the existing tax framework and providing actionable recommendations. FSD Africa worked with the Ethiopian Capital Markets Authority to onboard an external consultant with international experience in capital markets taxation and an understanding of the local context to help design a tax framework conducive to capital market growth.



2.4. Lessons learnt

We have learnt various lessons in our support for regulatory and policy development in Africa as follows:



Extensive engagement with local stakeholders, including regulators, government ministries, and market participants, is crucial for the success of interventions.



Interventions must be tailored to each market's specific context, incorporating local insights while aligning with international best practices.



Sequencing and clustering interventions in a coordinated manner to achieve maximum impact is critical. This involves developing interrelated markets and ensuring coherence between development initiatives.



Continuous capacity building at both the regulatory and market participant levels is essential for the successful implementation of regulatory and policy interventions.



Formalised implementation support is important to ensure that recommendations from interventions are effectively executed.



Regulatory and policy-related interventions have a high impact but take longer. Their impact, e.g. the extent to which they contribute to product development or increased investor participation, is difficult to measure in the short term.

An aerial night photograph of a city. The central focus is a large, multi-tiered dome structure, possibly a stadium or arena, which is brightly lit with blue and green lights. The dome has several horizontal bands of light. To the left of the dome is a large, modern building with a curved facade and many windows, some of which are lit. The surrounding city is visible in the background, with numerous lights from buildings and streets. The sky is dark, and the overall scene is illuminated by the city's lights.

CHAPTER 3:
Market infrastructure
development

CHAPTER 3:

Market infrastructure development

3.1. Our approach to market infrastructure development

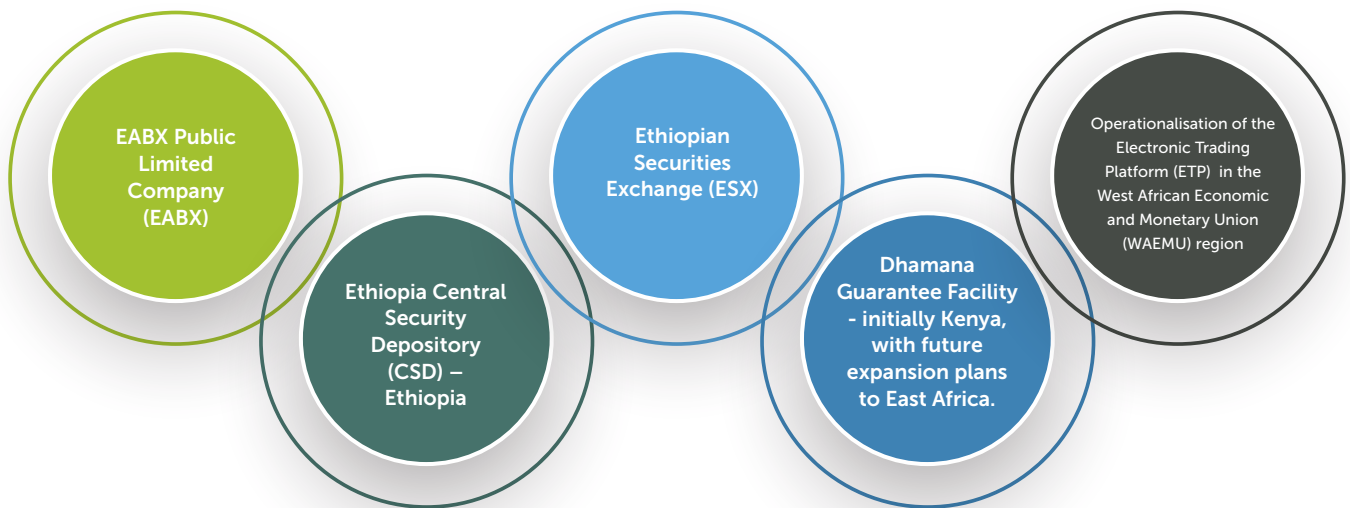
FSD Africa's support entails offering technical assistance and financial support to establish effective and suitable market infrastructure, including Over-The-Counter (OTC) platforms for fixed-income securities trading, securities/stock exchanges, and credit enhancement mechanisms.

These are critical aspects of market development and require

substantial investment capital and partnerships with like-minded financial sector actors. Our partners include central banks, financial sector regulators, development partners, bankers' associations, and private investors.

Some of our market infrastructure developments include:

Figure 3: FSD Africa market infrastructure initiatives



3.2. Impact of our market infrastructure development interventions

Market infrastructure is the plumbing of financial markets. Effective market infrastructure guarantees the safe depository of securities, facilitates accuracy of documentation and reporting, and saves transaction costs. It reduces risks and increases the

effectiveness and integrity of capital market transactions, making it easier and less costly for businesses and governments to raise capital for growth.

3.3. Case studies of our market infrastructure development work

CASE STUDY 1

Central Securities Depository and Settlement System in Ethiopia

FSD Africa is supporting the development of Ethiopia's capital market infrastructure by facilitating the National Bank of Ethiopia (NBE) in acquiring and implementing a Central Securities Depository and Settlement (CSD) System.

The project builds on previous support that the capital market team has provided on money market development and capacity building and is critical to establishing the Ethiopian Securities Exchange.

Ethiopia does not have a functioning CSD for the post-trade process. In the absence of a CSD, all securities transactions are processed manually. The T-bill auctions are run on the NBE core banking system. Banks can log into the system,

but pension funds have had no access, and their bids are processed manually.

The CSD project aims to digitalise post-trade activities in Ethiopia's capital markets and promote safer and more efficient trading, clearing and settlement of securities like equities and bonds. It will allow issuers and investors to settle transactions electronically through a book-entry transfer of securities as opposed to the physical delivery of paper certificates. The CSD system will hold government securities, corporate debt securities, equities and funds in electronic accounts.



CASE STUDY 2

The Ethiopian Securities Exchange

Ethiopia has not had a functional securities exchange. The country's regulatory authorities, with technical assistance from FSD Africa and partners, have now established the Ethiopian Securities Exchange (ESX).

In October 2023, the ESX was formally established as a private company and gained legal personality. Ethiopia Investment Holding (EIH), the country's sovereign wealth fund, and its subsidiaries are the founding shareholders. EIH is mandated to hold up to 25% of the ESX in total public shareholding, with the remaining 75% in private shareholding.

Since its establishment, the exchange has received considerable support from local and international investors. ESX obtained a whopping ETB 1.51 billion (\$26.6 million) investment, representing a subscription of 240% of its initial target capital raise of ETB 631 million (\$11.07 million). This was through participation by 48 domestic and foreign institutional investors across financial and non-financial sectors.

ESX is a crucial component of Ethiopia's broader capital market ecosystem, involving issuers, investors, intermediaries, service providers, and policymakers. Its success hinges on the active participation of these

stakeholders. The strategic plan for ESX includes three distinct market segments: equity, fixed-income instruments, and an alternative market.

FSD Africa's GBP 745,000 technical assistance support to ESX has been converted into 50,000 shares worth 50 million Birr, showing its commitment to this important initiative. This investment is part of FSD Africa's commitment to establishing critical capital infrastructure in Africa.



"Strategic foreign investments by TDB, FSD Africa, and NGX Group are particularly important in allowing the transfer of technical knowhow and best practices as well as other areas of long-term strategic value that we will explore."

Tilahun Esmael Kassahun (Ph.D)
CEO, ESX



CASE STUDY 3

FSD Africa's support for the EABX, an over-the-counter securities exchange in East Africa

To enhance liquidity and transparency in secondary markets, FSD Africa supported EABX Public Limited, a Kenyan company aiming to establish an over-the-counter (OTC) securities exchange, making securities more accessible to buy. The company is primarily sponsored by the Kenya Bankers Association (KBA), which is the exchange's anchor shareholder.

The establishment of the exchange and the technical support from the FSD Africa Capital Market Pillar, show our commitment to boost setting up key infrastructural development in Africa's capital markets.

In early 2024, the company received regulatory approval from Kenya's Capital Markets Authority to establish and operate an over-the-counter securities exchange and additionally function as an autonomous self-regulatory organisation (SRO) in the country.

An OTC market is an infrastructure that allows traders to interact without having to go through a formal securities exchange. The framework works purely through bilateral negotiations between traders without the intervention of the established securities exchange since all trades are captured electronically and directly between the engaging parties.

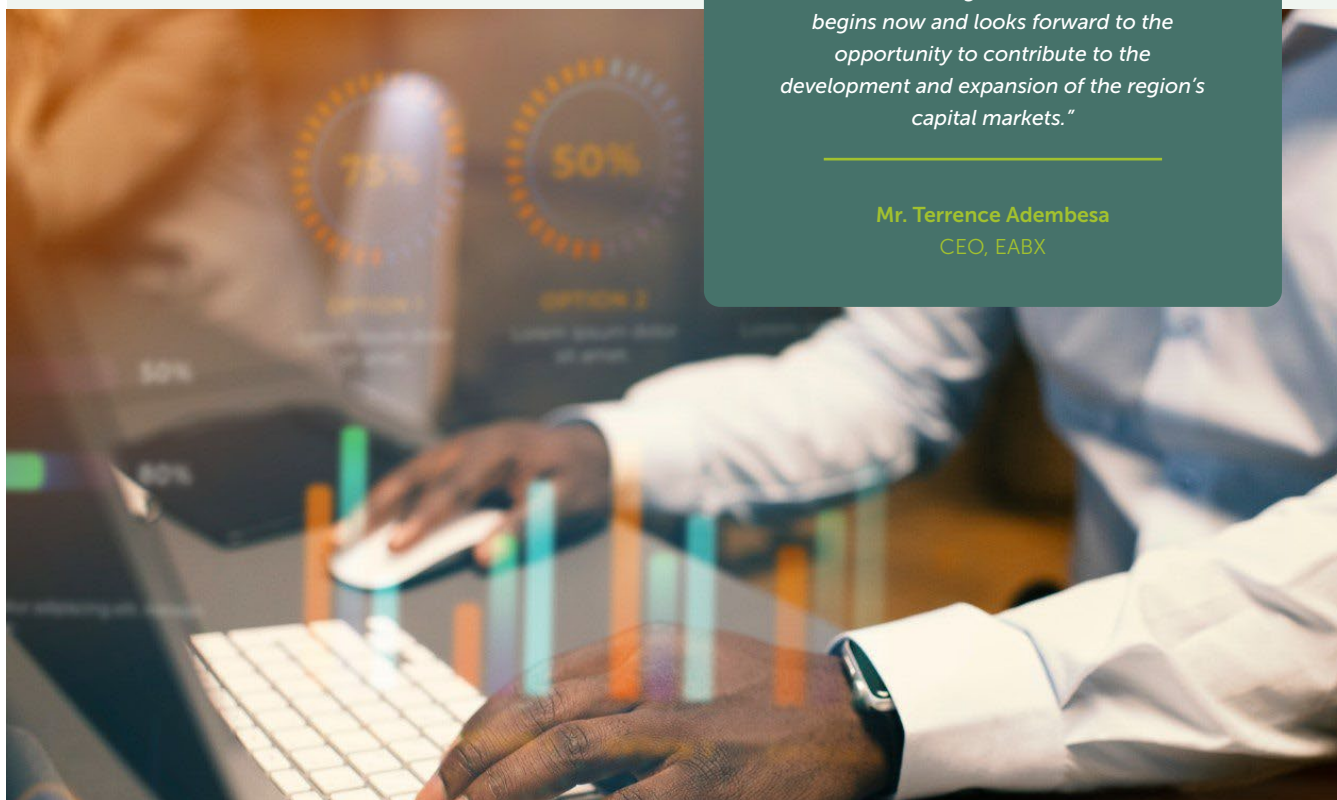
The OTC Exchange will essentially serve dual roles – as a trading platform provider and as a frontline market conduct and integrity regulator. This intervention seeks to help develop the bond markets and other supporting markets such as money markets, foreign exchange, and derivative markets.

It is expected that the establishment of an OTC Securities Exchange will enhance market infrastructure and broaden the domestic and international investor base as market confidence grows. The approval enables EABX to operationalise the exchange by rolling out its electronic trading platform to its members in Kenya, with a plan to expand operations into the wider East African region in the future.

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“EABX is grateful for the support it has received from the CMA, the EABX interim board of directors, the KBA, FSD Africa and all other stakeholders who have worked tirelessly over the years for the achievement of this significant milestone. As a company, EABX acknowledges that the hard work begins now and looks forward to the opportunity to contribute to the development and expansion of the region's capital markets.”

Mr. Terrence Adembesa
CEO, EABX



CASE STUDY 4

Dhamana Guarantee Company

FSD Africa partnered with other financial institutions to set the foundation of Dhamana Guarantee Company- a non-bank financial institution set up in Kenya aimed at facilitating the issuance of irrevocable and unconditional credit guarantees to enhance long-term local currency debt backed by infrastructure related projects.

Dhamana Guarantee Company was incubated through a partnership of FSD Africa, Cardano development and InfraCo Africa. FSD Africa extended a GBP 250,000 returnable grant in 2021 to partially offset the costs of developing and setting up the facility with the balance of the costs contributed by Cardano Development and InfraCo Africa. The fund is incorporated in Kenya and licensed by Kenya's Capital Markets Authority.

This credit enhancement is expected to catalyse investment by institutional investors into issuances other than sovereign. The goal is to provide a 100% guarantee, thereby transferring credit risk from the sponsor to Dhamana Guarantee Fund.

The fund has since attracted substantial investment from various multilateral development banks, including a \$10 million equity investment from Africa Development Bank to support the use of capital markets as an alternative source of long-term funding for infrastructure and the real estate sector in East Africa.

Dhamana Guarantee Fund is seen as a key player in building and supporting infrastructural financing for public projects. It will support access to financing for key sectors including transport, water, renewable energy, and waste management, among others. Dhamana is committed to catalyse financing for the scale-up of green and sustainable financing into East Africa.

Dhamana is targeting direct equity funding of \$ 42 million at first close. A second close during the expansion phase (year 3 – year 5) is planned at \$ 60 million.

The fund will de-risk capital markets instruments to finance public and private infrastructure, including instruments issued by banks/financial institutions for structured finance and issued by corporates through the provision of guarantees for corporate and infrastructure bonds. Its income will largely comprise of guaranteed fees based on an underlying portfolio of guarantees.



"With the support of our investors and supporters, FSD Africa, the Private Infrastructure Development Group (PIDG), Cardano Development, CPF Financial Services, and the African Development Bank (AfDB), we have worked to develop Dhamana as an important catalyst for long-term sustainable finance in the region."

Christopher Olobo
Dhamana CEO



3.4. Lessons learnt

We have gained useful lessons from our market infrastructure work as follows:



Working closely with regulators to align standards, requirements, and expectations ensures infrastructure readiness and regulatory compliance.



Establishing market infrastructure is resource-heavy, necessitating collaborations with governments and like-minded development partners to optimise and pool required capital and expertise.



Transferring technical skills enables faster adoption of new systems, builds local capacity, and fosters a sense of ownership by key market stakeholders. This is critical for long-term success.



Some of the market infrastructure interventions are highly interdependent, requiring high levels of coordination among the various implementing partners.



Continuous training ensures local staff are technically skilled, adaptable, and equipped to leverage the new market infrastructure and meet the evolving needs of the market.

An aerial photograph of a city street at dusk. On the left, a tall, modern, multi-story building with a blue-tinted top section and many windows is visible. The street below is busy with traffic, including cars, buses, and motorcycles. In the background, other city buildings and a hazy sky are visible. The overall scene is dimly lit, suggesting the time is either early morning or late evening.

CHAPTER 4:
Capital Market Products
Development

CHAPTER 4:

Capital Market Products Development

4.1. Our approach to capital market products development

The global market for Green, Social, Sustainability, and Sustainability-Linked (GSSS) bonds reached USD 5.7 trillion in June 2024, with green bonds representing 60% of issuances. However, Sub-Saharan Africa remains the least established GSSS bond market among developing economies. In 2023, the green bonds market in Sub-Saharan Africa amounted to less than 0.1

per cent of GDP.

What does the GSSS bonds market comprise? The International Capital Market Association (ICMA) organises GSSS bonds into four categories, each guided by globally recognised voluntary standards.

Table 1: GSSS Bonds

Type	Green Bonds	Social bonds	Sustainability bonds	Sustainability linked bonds
Description	They facilitate raising capital and investments for new and ongoing projects with environmental benefits.	These are use of proceeds bonds that raise capital for new and existing projects with positive social impacts	They are bonds where the proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects.	These bonds have financial and structural features that can change based on the issuer's success in achieving specific Sustainability/ESG objectives. SLBs are performance-based instruments aimed at future outcomes.
ICMA guidelines	The Green Bond Principles (GBP) ⁴	The Social Bond Principles ⁵	- The Sustainability Bond Guidelines (SBG) ⁶	Sustainability-Linked Bond Principles (SLBP) ⁷

The issuance process for sustainable bonds can be complex, particularly for first-time corporate or sovereign issuers. We provide practical hands-on support to issuers to prepare, issue and report on sustainable bond issuances. Our support includes helping issuers identify a suitable portfolio of sustainable assets, customised capacity strengthening, developing bond

frameworks, securing external reviews including second-party opinions and certifications, support in structuring and cross-listing and post-issuance verification and assurance. For illustration, the nature of our support to sovereign, municipal and corporate issuers of sustainable bonds (including green & social bonds) is outlined below:

Table 2: FSD Africa support for sustainable bonds issuance

	Preparatory Phase	Feasibility Phase	Project Preparation	External Review	Book building and issuance	Post-issuance reporting
Key steps	<ul style="list-style-type: none"> Identify a green financing opportunity, set eligibility criteria, and form dedicated teams. 	<ul style="list-style-type: none"> Build expertise in sourcing green assets, define the use of proceeds and issuance structure (public/private), engage arrangers, and assess investor interest. 	<ul style="list-style-type: none"> Step 1—engage on eligible assets/projects Step 2—develop Sustainability Bond Framework (use of proceeds, eligibility assessment process, reporting standards) Step 3 –Arrange an independent verification. 	<ul style="list-style-type: none"> Second-party opinion or assurance report for certification under the Climate Bonds Standard 	<ul style="list-style-type: none"> Issuer works with a lead arranger to set out bond terms, & marketing strategy 	<ul style="list-style-type: none"> It entails reporting on the use of proceeds in line with the bond framework requirements. Data collection and analysis to demonstrate and report socio-economic impact.

⁴ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

⁵ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

⁶ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

⁷ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

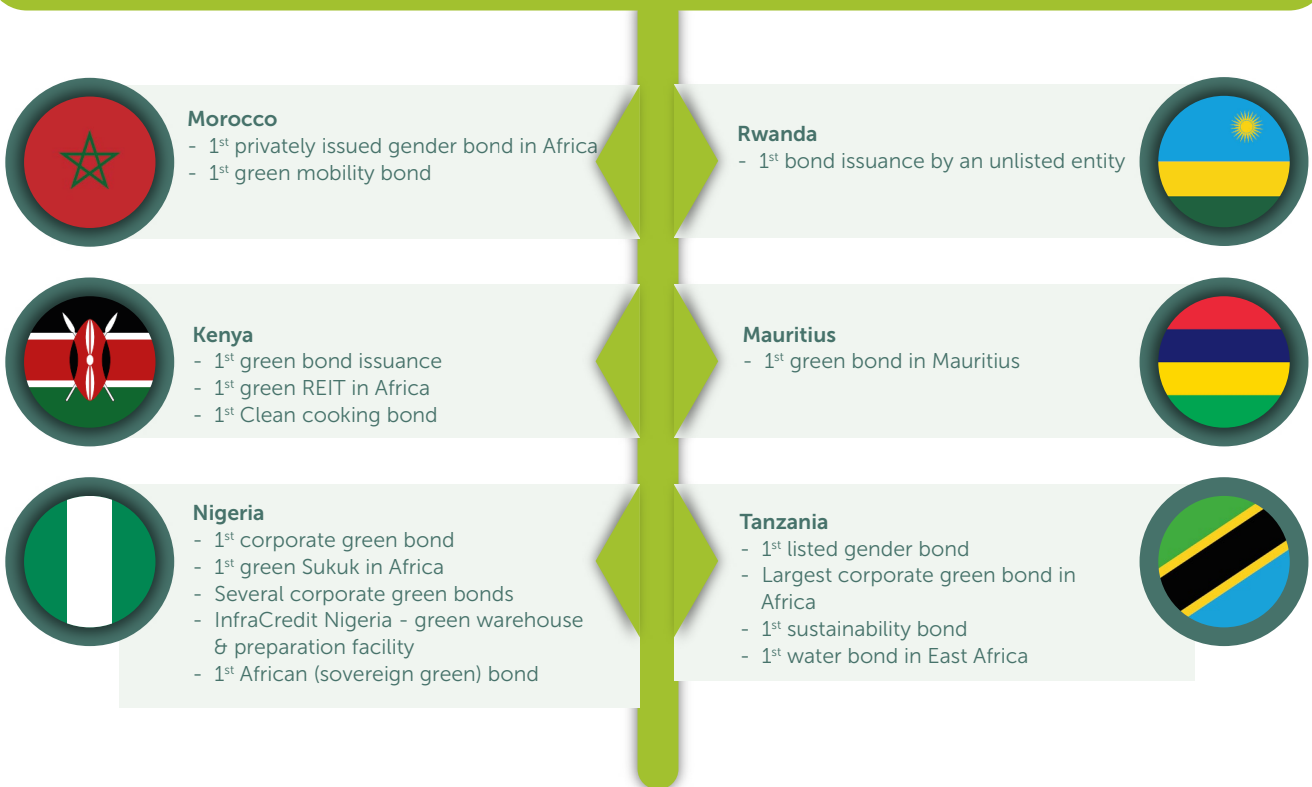
	Preparatory Phase	Feasibility Phase	Project Preparation	External Review	Book building and issuance	Post-issuance reporting
FSD Africa Role	<ul style="list-style-type: none"> - Preparatory review of the company's sustainability documents 	<ul style="list-style-type: none"> - Capacity building and training programme for internal members of staff on sustainable finance 	<ul style="list-style-type: none"> - Establishment of a Selection Committee, Sustainability Bond Framework and Annual Report Template - Technical and financial assistance in the portfolio reviews - Technical and financial assistance in credit ratings (on case-by-case basis). 	<ul style="list-style-type: none"> - Technical support during the verification and certification process 	<ul style="list-style-type: none"> - Support with the integration of the sustainable bond disclosure document with prospectus, support with roadshow and investor presentation for the bond's sustainable credentials - Support for bond listing (including cross/dual listing) 	<ul style="list-style-type: none"> - Post-issuance impact reports preparation

4.2. Impact of our capital markets product development work interventions

FSD Africa has facilitated 21 thematic bond transactions, mobilising approximately USD 1.2 billion in local currency funding directed toward impactful sectors, including clean cooking, sustainable transport, financing for women-led MSMEs and SMEs, clean energy, affordable housing, and water infrastructure.

These inaugural bond issuances represent pivotal advancements in Africa's capital markets, underscoring the capacity of local markets to support sustainable financing and establishing a replicable benchmark for future initiatives. Illustratively,

Figure 5: Groundbreaking transactions supported by FSD Africa - US\$1.2bn



4.3. Case studies of our product development work

CASE STUDY 1

Tanga UWASA floats first East African Water Green Bond

Tanga Urban Water Supply and Sanitation Authority (Tanga UWASA), an autonomous water utility in Tanzania, issued the first-ever sub-national water infrastructure green bond in East Africa, with the floating of a TZS 53.12 billion (approximately USD 20.5 million) bond.

FSD Africa provided extensive technical assistance to Tanga UWASA, guiding them through the complex process of issuing a green bond. This included support in structuring the bond, preparing necessary documentation, and ensuring compliance with green bond standards.

FSD Africa also facilitated capacity-building workshops and training sessions for Tanga UWASA staff and other stakeholders. These sessions aimed to enhance their understanding of green bonds, the issuance process, and the benefits of sustainable finance.

The proceeds of the green bond will fund the expansion and improvement of sustainable water supply infrastructure and environmental conservation within Tanga City and nearby townships. The 10-year project revenue bond listed at the

Dar es Salaam Stock Exchange (DSE) offers an attractive interest rate of 13.5% per annum to be paid semi-annually.

By supporting the Tanga UWASA Water Bond, FSD Africa contributed to the broader development of Tanzania's capital markets. The bond represents a significant stride in utilising domestic capital markets to finance critical development projects in local currency, thereby reducing reliance on foreign currency and mitigating exchange rate risks.



"Tanzania plans to ensure access to water supply by 95% in urban areas and 85% in rural areas by December 2025. To achieve these targets, it is crucial to deploy various innovative financing mechanisms similar to what Tanga UWASA has done."

Hon. Jumaa Aweso
Tanzania Minister for Water



Tanga UWASA issued the first ever sub-national Water Infrastructure Green Bond in East Africa, with the floating of a TZS 53.12 billion (approximately USD 20.5 million) bond.

CASE STUDY 2

Facilitating Tanzania's first green bond - Kijani Bond

FSD Africa supported Tanzania's CRDB Bank in its trailblazing Medium Term Note Programme (MTN) Kijani green bond by providing technical expertise to expand the bank's lending pipeline in line with its climate finance strategy and green taxonomy.

The USD 300 million Kijani Green Bond Programme is the largest of its kind in Africa. In its first issuance under the programme, CRDB targeted raising Tsh 55 million (\$22 million). The bank raised TZS 171.8 billion and was oversubscribed by 429.6 per cent.

The bond was pegged at a 10.25 per cent interest per annum, payable twice a year, with the initial offer being listed on the Dar es Salaam Stock Exchange and the London Stock Exchange.

The proceeds will be used to provide access to finance for green transactions. Per CRDB's Green Bond Framework, they will be able to finance or refinance eligible sub-projects that contribute to sustainable and inclusive growth in Tanzania. The support for CRDB's Kijani bond enabled the bank to raise innovative finance to support sustainable projects in Tanzania.

As Tanzania's largest commercial bank, CRDB is uniquely positioned to channel international support efficiently to local project developers and implementers, including Tanzanian smallholder farmers, microenterprises, and SMEs, through climate finance vehicles that blend private capital with green climate fund resources in the form of loans, guarantees, or equity.

The bond attracted the attention of global investors, including the International Finance Corporation (IFC), a member of the World Bank Group. IFC intends to invest 40% of the total issuance.



"We expect that Kijani Bond will be instrumental in further developing green financing in Tanzania."

Nicodemus Mkama

CEO, Tanzania Capital Market and Securities Authority (CMSA)



CASE STUDY 3

NMB Bank's Landmark Sustainability Bond

FSD Africa provided technical assistance to Tanzania's NMB Bank as it issued Jamii bond, the first sustainability bond in East Africa. The dual-currency tranche bond mobilised finance for social and climate projects in Tanzania that contribute to inclusive socio-economic growth and strengthen the response to climate change.

The Jamii bond trades at the Dar es Salaam Stock Exchange and the London Stock Exchange, with an additional listing at the Luxembourg Green Exchange (LGX), mopping up green capital for sustainable projects.

FSD Africa was instrumental in supporting a review of the bank's portfolio through the Climate Bonds Initiative (CBI) for alignment with the Sustainability Bond Guidelines of the International Capital Markets Association (ICMA) and other international frameworks, including Multilateral Development Bank (MDB) principles and the EU & CBI taxonomies.

It also offered technical assistance for securing a Second Party Opinion (SPO) for NMB Bank's Sustainable Finance Framework, published in August 2023.

The Jamii Bond successfully raised TZS 400 billion (\$159 million), making it the largest sustainability bond ever issued in East Africa.

The bond attracted over 5,600 local investors. The Tanzania shillings-marked portion of the bond alone mobilised TZS

212.9 billion, representing a subscription level of 284% against a target of TZS 75 billion. The Tanzanian Shilling tranche was priced at 9.5%, with coupons payable quarterly. This portion of the Jamii bond is listed on the Dar es Salaam Stock Exchange.

Similarly, the U.S. dollar tranche was oversubscribed (730%), raising \$73 million against a target of \$10 million. The U.S. dollar portion of the bond was priced at a 6-month Secured Overnight Financing Rate (SOFR) plus 250 basis points. This portion is listed on the International Securities Market (ISM) and the Sustainable Bond Market (SBM) at the London Stock Exchange and the Luxembourg Green Exchange.

The International Finance Corporation (IFC), a member of the World Bank Group, and British International Investment (BII) were among the anchor investors.



"The listing of the Jamii Bond cements NMB Bank's position as a trailblazer in sustainability within the African capital markets and we are humbled that our commitment to ESG principles has garnered national and international recognition."

Ms. Ruth Zaipuna
Chief Executive of NMB



CASE STUDY 4

BURN Manufacturing: Financing clean cooking in Africa through green bonds

FSD Africa actively participated in the development and issuance of the first-ever green bond to finance clean cooking activities in sub-Saharan Africa issued by clean cookstove manufacturer Burn Manufacturing.

FSD Africa provided technical assistance in ensuring the bond aligns with the ICMA Green Bond Principles 2021. It also supported the second-party opinion, which was conducted by Agosto & Co., a Pan-African Credit Rating Agency and Green Bond verifier.

The US\$10M proceeds from the bond allow BURN Manufacturing to increase its existing manufacturing capacity in Kenya and launch a new facility in Lagos, Nigeria. Production will increase from the current 400,000 units per month to 600,000 units, and it will produce a range of life-saving biomass, electric, and LPG stoves.

To date, BURN Manufacturing has produced & distributed over 3.8 million cookstoves across 20 countries in Sub-Saharan Africa and Asia, contributing to over 14.5 million tonnes of CO₂ saved and over 8.2 million tonnes of wood saved.

A 2022 report by the International Energy Agency on the Africa Energy Outlook suggests that achieving universal access to clean cooking fuels and technologies by 2030

requires shifting 130 million people globally away from dirty cooking fuels each year. The issuance of green bonds provides a crucial avenue for supporting this shift towards the adoption of cleaner cooking solutions for people.

The funds from the green bond are poised to extend these benefits to an extra 2 million households.

“

“Our decision to issue the first green bond to support clean cooking underscores our strong belief in the power of financial innovation to drive positive environmental and social change. Leveraging benefits such as investment communities’ interest in green financing and potential tax advantages to investors, green bonds have gained considerable traction in recent years. BURN Manufacturing is excited to deploy this innovative instrument to catalyse sustainable development.”

Peter Scott

CEO & Founder of BURN Manufacturing



To date, BURN Manufacturing has produced & distributed over 3.8 million cookstoves across 20 countries in Sub-Saharan Africa and Asia, contributing to over 14.5 million tonnes of CO₂ saved and over 8.2 million tonnes of wood saved.

CASE STUDY 5

Supporting green infrastructure financing through InfraCredit Nigeria

Since 2022, FSD Africa has approved a total grant of GBP 500,000 to InfraCredit Nigeria to support infrastructure-related SME capital raising in the energy sector. This facility supports the development of a robust pipeline for green infrastructure, helping SMEs access financing due to InfraCredit's credit enhancement on the green bonds they issue.

The grant funding facilitated technical assistance for pre-feasibility and feasibility studies and pre-transaction support for potential issuers.

This support includes reducing upfront costs for first-time debt issuers, enabling companies to secure long-term funding for green infrastructure projects. This aligns with FSD Africa's theory of change that envisages an increase in first-time bond issuers, a broader range of asset classes for institutional investors, and greater institutional investment to fund Nigeria's economic priorities.

Securing capital for climate-aligned greenfield infrastructure projects is extremely challenging due to substantial associated risks. Given the household-level retail-operated model, local banks are often reluctant to lend to the power companies, offering prohibitively high interest rates of up to 27%.

This underscores the need for early-stage support in greenfield investments, where committed sponsors are vital to assume reputational and financial risks.

FSD Africa's support for InfraCredit guarantees has enabled Darway Coast, ACOB Lighting, Prado Power and Hotpot

Network to raise GBP 8.8 million in local currency from institutional investors facilitating a reduction of 914 tCO₂e_q in greenhouse gas emissions.

This technical assistance enabled InfraCredit to compile evidence-based due diligence data, facilitating a partnership with the World Bank under the Distributed Access through Renewable Energy Scale-up (DARES) Programme, establishing the Distributed Renewable Energy Enhancement Facility (DREEF). This will not only standardise the due diligence process but also provide project capital to bridge the gap for early-stage renewable energy financing. Equally, FSD Africa Investments (FSDAi) and InfraCredit launched the Risk-Sharing Backstop Facility (RSBF) to augment InfraCredit's guarantees and further de-risk investments.

Through its guarantees, InfraCredit has facilitated first-time issuers' access to local currency finance with up to 20-year tenure from the domestic bond market for infrastructure projects totalling NGN 211.3 billion (USD 132.69 million). These issuances had up to 56% commitments from local pension fund investors, signifying a strong appetite from the investors.

InfraCredit has identified creditworthy SMEs in infrastructure needing local currency for Capital Expenditure (CAPEX) but struggling with high upfront costs and risk-averse local investors. InfraCredit currently has a pipeline of 16 projects in need of approximately NGN 210.93 billion (GBP 108.20 million) in construction financing.



CASE STUDY 6

Powering Mauritius through green bonds

The Mauritian government wishes to promote the generation of electricity from solar photovoltaic sources to meet its target of generating 35% of electricity from renewable sources by 2030. Envolt, a subsidiary of the Mauritian conglomerate ENL, has been operating since 2018 and owns and operates 10 solar farms with a capacity of 4.1 Mega Watts.

In 2023, Envolt launched a \$45 million green bond programme in Mauritius. The programme's aim was to finance the construction of 13 photovoltaic solar power plants in this island country off the coast of East Africa.

The green bonds will be the first of their kind issued in Mauritius under the 2021 International Capital Market Association (ICMA) Green Bond Principles. These principles are aligned with global standards and combat greenwashing by requiring rigorous assessment of projects and their respective environmental or emissions claims.

Envolt's first green bond issue under this programme is for 510 million Mauritian rupees, or US \$11.5 million. FSD Africa was involved in this issuance, including providing technical and second-opinion analysis under the SADC Green Bond Programme to demonstrate the project's viability.

FSD Africa sees this issuance as a precedent for further such transactions not only in Mauritius but also across the wider SADC region, building the strength of domestic African capital markets and, crucially, delivering financing routes for vital energy transition projects which can accelerate Africa's energy and climate security.

“

“Our group positions itself as a major player in the renewable energy sector. Our initiatives align with the national strategy to produce up to 60% of Mauritius' energy needs from renewable sources by 2030. Our green bond program will finance the expansion of our production capacity and enable us to contribute significantly to improve the country's energy mix and energy security.”

Gilbert Espitalier-Noel
CEO ENL Group



CASE STUDY 7

Rolling out SME listed funds in Ghana and Kenya

FSD Africa is developing an innovative financing mechanism for Micro, Small, and Medium Enterprises (MSMEs) in Kenya and Ghana by establishing MSME funds to be listed in the capital market.

The first-of-a-kind listed MSME funds will be registered with the respective capital markets authority and listed on a recognised exchange, providing investors with a diversified pool of investment assets and an exit option.

The funds aim to mobilise long-term local currency finance for the MSME sector in the countries using blended finance/co-investing approaches tailored to each market's peculiarities.

The Ghana fund will be positioned as a secondary fund deploying capital to SMEs through PE buyouts, PE co-investments, a fund-of-funds strategy, or a combination of all. It will focus on West Africa with a bias toward Ghana (70% of funds invested in Ghana).

The availability of a listed secondary fund in Ghana will promote primary private capital investment activities critical to SME financing. The difficulty of exits is one of the major barriers to domestic investor participation in the private equity asset class, partly due to the absence of a thriving IPO market.

The proposed fund size in Ghana is US\$200m and aims to raise US\$50m at the first close, with an average ticket size of US\$2m to US\$10m. The fund will provide capital to SMEs through equity, debt, hybrids, or a combination. It will be sector-agnostic and opportunistic, with an ESG-focused strategy.

The fund in Kenya aims to reduce the cost of funding for MSMEs and platforms/intermediaries that lend to the sector by disintermediating the banking sector and offering longer tenures that are typically unavailable from commercial banks.

This will also provide a diversification opportunity for domestic institutional investors with competitive risk-adjusted returns relative to government securities. In Kenya, institutional investors' Assets Under Management are estimated at \$30 billion, predominantly invested in government securities. Institutional investors increasingly have appetite to diversify into alternative asset classes.

The proposed initial fund size in Kenya is \$300 million (equivalent in local currency), with a target first close of \$100 million and an average ticket size between \$500,000 and \$5 million in local currency equivalent. It will lend to MSMEs through direct investment (25%) and indirect investment through microfinance institutions (MFIs) and other micro-lending distribution channels (75%).

MSMEs play a critical role in developing the African economy. They generate income and create most jobs, between 70% and 95% of new employment opportunities. They are more likely to create jobs when they have improved access to finance. MSMEs in Ghana account for 70% of the GDP and are responsible for 82% of the working population. In Kenya, they account for 98% of businesses and about 24% of the GDP.



CASE STUDY 8

Creating a local currency solution to transfer MDB portfolios to domestic institutional investors

In 2023, FSD Africa secured funding from the Multilateral Development Banks (MDBs) Challenge Fund, seeded by the Bill & Melinda Gates Foundation, Open Society Foundation, and The Rockefeller Foundation, to spearhead a pioneering project: the "Local Currency Solution for Multilateral Development Bank Portfolio Transfer" (the 'Project').

The project aims to explore the potential for transferring assets by MDBs to domestic institutional investors in Africa through a local currency solution. This solution will help expand the scope of MDBs' investments by freeing up their capital while developing domestic capital markets by enabling African institutional investors to invest in alternative assets.

The project targets long-term investment needs, focusing on critical areas such as climate risk mitigation, renewable energy, infrastructure, urban development, and housing. By transferring parts of MDBs' portfolios to local institutional investors in emerging markets, the initiative aims to unlock MDBs' capital and expand the scope and size of their developmental mandate while fostering domestic capital markets in Africa.

FSD Africa has conducted a comprehensive feasibility assessment and engaged in market-sounding conversations with MDBs, institutional investors, regulators, fund

managers, investment banks, and other stakeholders.

The feasibility study, developed by FSD Africa, delves into understanding the landscape of alternative investments in Africa, institutional investors' appetite for such investments, and regulatory requirements and constraints.

Additionally, as part of the pilot to be rolled out in the next phase of this project, FSD Africa will co-design a fund for the portfolio transfer. This aim is to institutionalise the MDB asset transfer process and thereby empower MDBs to provide more financing to developing and emerging economies.



"Capital resides mostly in the capital markets and the multilateral development banks are the most efficient vehicle to transfer capital from the markets into the needs of emerging economies and developing countries. So the question is, are they doing that, are they doing it efficiently and if not, what can be done for them to effectively play that role? There are a lot of ways in which MDBs can tap into the private sector. How do we take this to scale?"

Frannie Leautier

Board, Chair FSD Africa & Senior Partner
and CEO SouthBridge Investments



4.4. Lessons learnt

From our extensive work in supporting demonstration capital market transactions, we have learnt that:



Africa's long-term financing challenges are best solved through tailored African solutions that reflect local market dynamics and needs.



A conducive regulatory environment helps facilitate the development of capital market instruments and investment vehicles.



Similar financing requirements across African markets create opportunities to replicate and scale successful financing instruments across Africa.



Effective partnerships between issuers, investors, and regulators are essential for advancing and scaling innovative financial products.



Offering training and resources to issuers, investors, and other market intermediaries enhances their knowledge, speeding up the adoption of sustainable capital market products.



Demonstrating the social and environmental benefits of sustainable instruments boosts investor interest and demand.

An aerial photograph of a city, likely Singapore, showing a dense urban landscape with numerous high-rise buildings and a harbor area with several large ships and smaller boats. The image is overlaid with a semi-transparent blue filter. The text is centered in the middle of the image.

CHAPTER 5:
Convening, advocacy
and insights

CHAPTER 5:

Convening, advocacy and insights

5.1. Our approach to convening, advocacy and insights

FSD Africa's regional convening initiatives aim to foster knowledge sharing and the free flow of information among key stakeholders, such as regulators and fund managers. They facilitate market-led capital market deepening through peer learning.

Over the past two years, the capital markets pillar has amplified its advocacy through roundtables across multiple African markets, addressing critical technical issues to strengthen capital markets. These efforts have succeeded due to FSD Africa's established credibility, thought leadership, and strategic partnerships. Key themes in these initiatives include gender bonds, KPI-linked bonds, debt sustainability, and de-risking mechanisms.

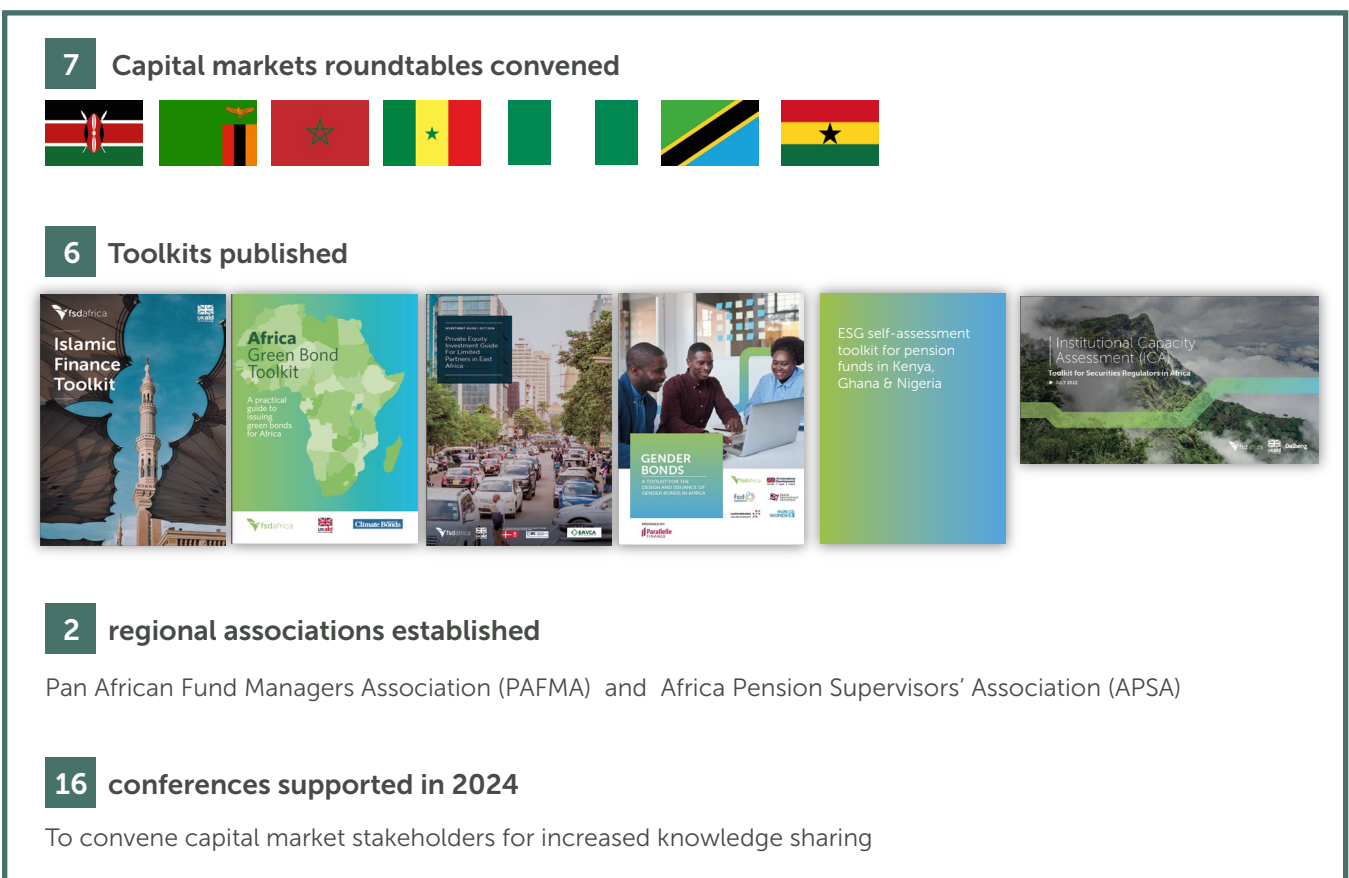
5.2. The impact of our convening, advocacy and insights interventions

Through regional convenings and workshops, FSD Africa provides a platform for market participants, regulators, and policymakers to discuss challenges and best practices in sustainable finance. These gatherings address regional issues such as liquidity in local currency bond markets, capital market depth, and policy harmonisation while promoting cross-border regulatory consistency to advance Africa's capital markets.

Insights from these sessions shape FSD Africa's policy advocacy, lead to evidence-based recommendations and technical resources like toolkits and diagnostic reports. These tools equip stakeholders with essential data on innovative financing, including sustainable bonds and new investment vehicles, aiding informed decision-making.

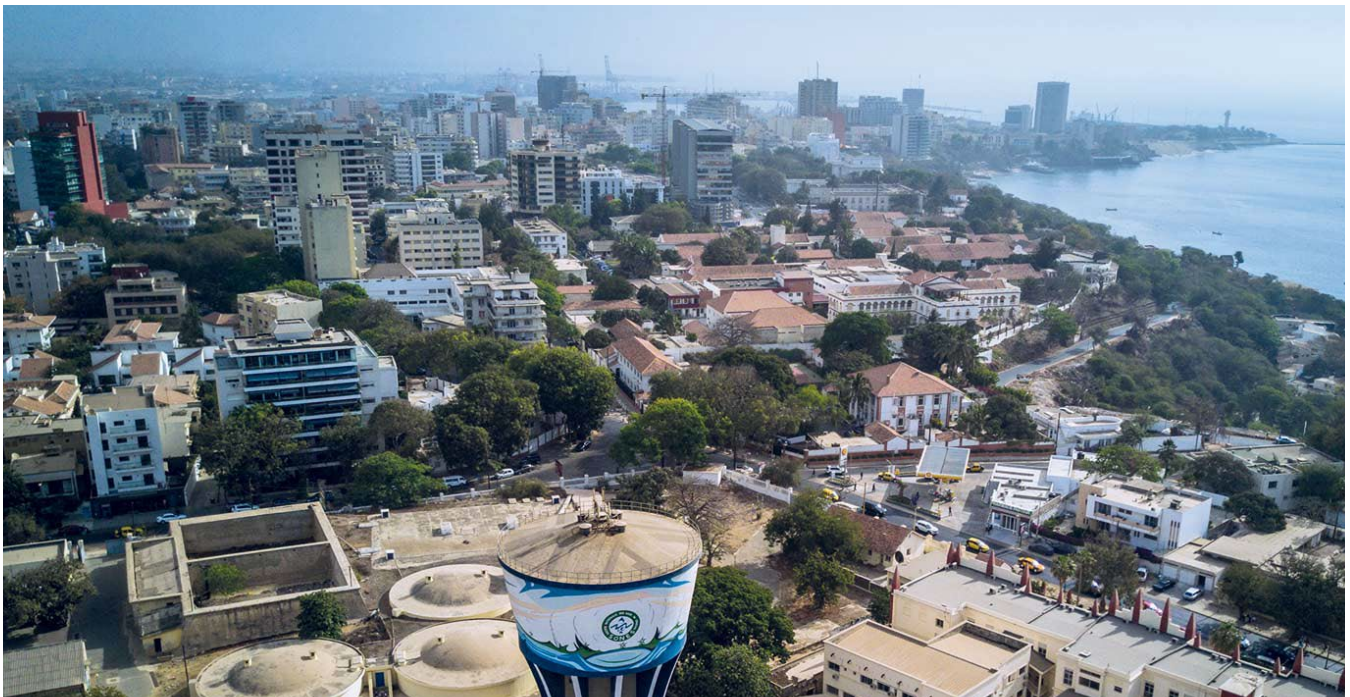
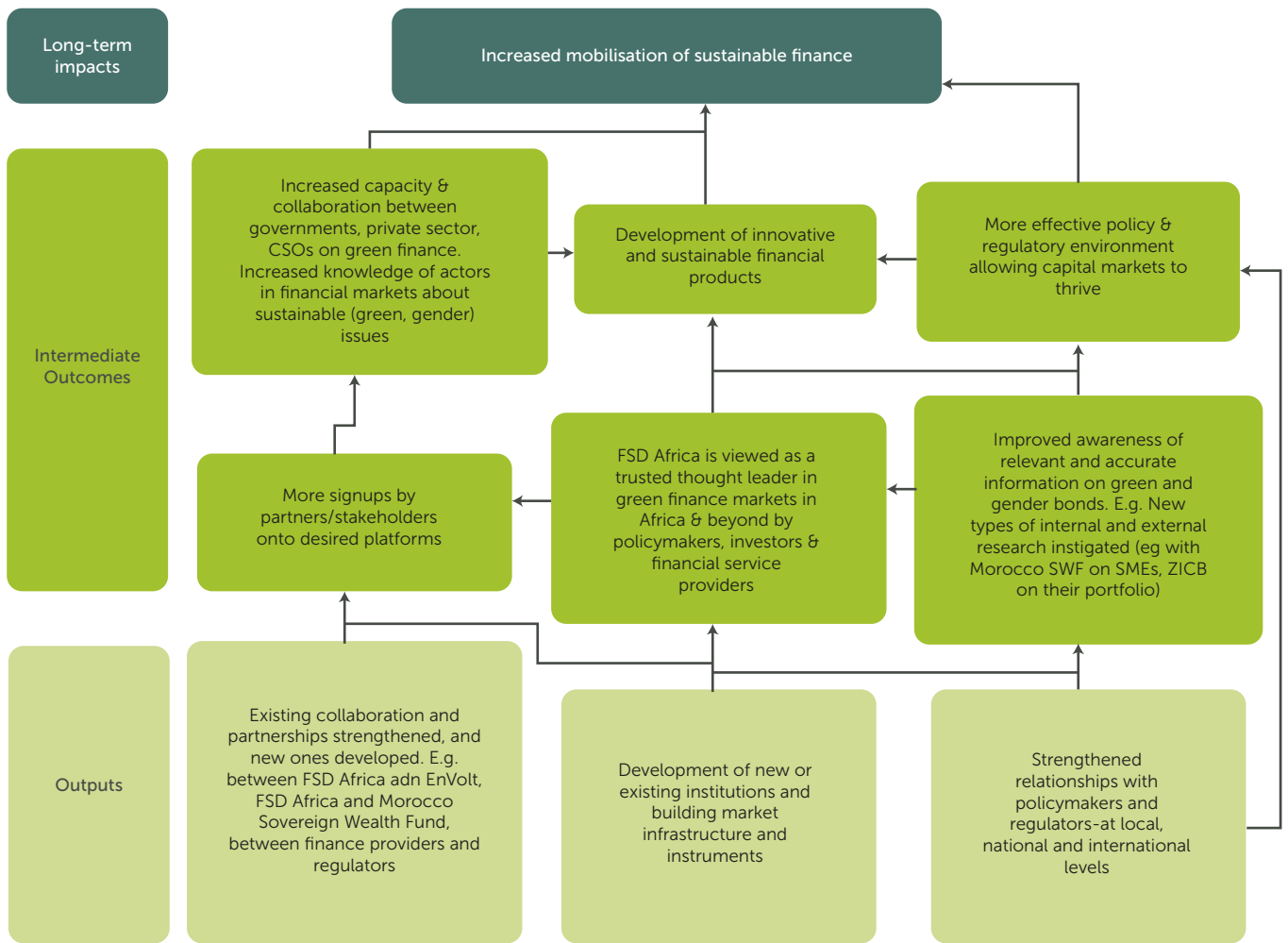
Some of our notable achievements include:

Figure 6: Convening, advocacy and insights



An illustration of how convening and advocacy interventions lead to increased capital mobilisation is as follows:

Figure 7: Capital Markets Roundtables Impact Pathway



5.3. Case studies of our convening, advocacy and insights work

CASE STUDY 1

Curating the Pan African Fund Managers Association (PAFMA)

Five national pension managers' associations, in collaboration with FSD Africa, have established the Pan African Fund Managers Association (PAFMA), an association dedicated to enhancing climate finance across the African continent.

PAFMA is committed to pioneering localised research initiatives, fostering a knowledge-sharing culture, and capacity-building among fund managers. This initiative aims to empower fund managers to assess and engage in investment opportunities within regions and countries where their presence was previously limited.

The five founding members of PAFMA are the Pension Fund Operators Association of Nigeria (PENOP); the Fund Managers Association (FMA) in Kenya; the Botswana Investment Professionals Society (BIPS); the Ghana Securities Industry Association (GSIA) and the Investment Management Association of Uganda (IMAU). These initial national associations, which together account for assets under management (AUM) of over \$70 billion, have since reached out to more members. Now, PAFMA has nine members representing 16 African countries and 231 fund managers who collectively oversee assets under management (AUM) exceeding \$120 billion.

The latest entrants include the Association of Moroccan Companies and Investment Funds (ASFIM), the Namibia Savings and Investment Association (NaSIA), the Association of Investment Managers of Zimbabwe (AIMZ) and the Association des Societes de Gestion et de Patrimoine (ASGOP) de l'UEMOA



"Our industry and its future growth depend on vibrant collaboration amongst fund managers across Africa. With PAFMA, fund managers will be able to evaluate and make investments in regions and countries where we did not have sufficient local context."

Patrick Kariuki

Vice Chairman, The Fund Managers Association (FMA)
& Managing Director, Gen Africa Managers Ltd

Figure 8: FSD Africa's support for PAFMA



CASE STUDY 2

Promoting a cohesive approach to regulating the pension industry in Africa

FSD Africa has been working with the Africa Pension Supervisors' Association (APSA) to coordinate and develop dialogue on the supervision of the African pension industry through APSA's annual conferences. The APSA Conferences have been held annually since 2019. The 2023 session was held in Kampala, while the 2024 edition was held in Lusaka. Both conferences looked at how to initiate actionable dialogue for expanding pension coverage to non-salaried informal sector workers.

APSA is a coordinated platform that brings together pension industry regulators and supervisors from across Africa. The current membership consists of regulators from 22 countries who supervise over \$420 billion in assets—over 86% of pension assets in Africa.

Africa has a rapidly growing elderly population, and a

staggering 600 million young, economically active informal sector workers excluded from formal pension and social protection systems. By 2050, Africa's elderly population is projected to soar from 69 million in 2017 to 226 million, incurring a potential fiscal cost of \$1.7 trillion for providing even a modest \$1-a-day pension.

FSD Africa is working with APSA to develop and harness the policy and regulatory frameworks among members as well as conducting research and advocacy on the management of pension schemes.

FSD Africa's goal in this collaboration is to address the challenges in the pension system and explore strategies to ensure dignified and secure retirements for all African citizens.



POPULATION
226 million

↑
69 million

By 2050, the elderly population in Africa is projected to soar from 69 million in 2017 to 226 million, incurring a potential fiscal cost of \$1.7 trillion for providing even a modest \$1-a-day pension.

CASE STUDY 3

Spurring investment through Capital Market Roundtables

FSD Africa has hosted several roundtables aimed at bringing together various market players in the financial sector. The roundtables have targeted potential issuers of green bonds, investors, development partners, fund managers, and policymakers, with influence or investment activity in Africa.

The capital markets team has held roundtable meetings in seven countries: Kenya, Zambia, Morocco, Senegal, Nigeria, Tanzania and Ghana. FSD Africa partnered with stakeholders such as potential issuers of sustainable bonds, pension fund operators and various relevant associations in specific countries to convene these events.

The roundtables have offered a chance for FSD Africa to interact with stakeholders and facilitate stakeholder engagement.

Through these forums, FSD Africa sought an opportunity to stir strategic conversations with African capital market stakeholders on innovating and leveraging innovative

financing instruments to improve capital mobilisation and allocation efficiency.

The capital markets roundtables were intended to be a catalyst to drive change and support long-term sustainable financing in different markets. Through the roundtable meetings, FSD Africa sought to increase knowledge and capacity development so that market actors could understand and deploy sustainable finance instruments.

The roundtables have contributed to capital mobilisation. In the case of Kenya's event, a new partnership developed during the roundtable resulted in a successful green bond issuance.

Based on participant feedback, the roundtables have enhanced stakeholders' understanding of green finance. The knowledge-sharing at these roundtables has empowered actors in the capital markets to better grasp the process of designing and implementing sustainable financing structures.



CASE STUDY 4

Equipping policymakers with knowledge of climate finance

FSD Africa, in a unique collaboration with the Cambridge Institute for Sustainability Leadership (CISL), the International Institute for Environment and Development (IIED), and the Eastern and Southern African Management Institute (ESAMI), has been developing a training program for influencers and decision-makers in the financial sector on climate finance.

The Africa Climate Finance Leadership training aims to equip executives, regional policymakers, regulators, academia, industry, and financial market participants and intermediaries in Africa with best practices in climate finance. The intention is to create a new class of climate conscious leaders within the national and subnational decision-making levels.

The training aims to create an understanding of how it's to shift from 'business-as-usual' to 'business-unusual' investments that can use public and private climate finance to tackle the biggest challenge of our time.

A vital component of the climate finance training is to

provide the requisite skills needed to access the Green Climate Fund by exploring accreditation of direct access entities (DAEs) and training key technical staff within government and other non-state actors on accessing capital for climate-resilience projects in sub-Saharan Africa.

So far, the training has benefitted over 70 officials in 13 institutions from 11 countries in Sub-Saharan Africa, including 31 students who completed the training as a result of accessing partial scholarships.

In Ethiopia, for instance, the training targeted several key technical staff in the government, the Ministry of Finance, the National Bank of Ethiopia, and the Ethiopia Roads Authority. Samuel Wolde, a senior data analyst in Ethiopia's Finance Ministry and Anteneh Zinaw, the chief research officer at the National Bank of Ethiopia, say they have encountered a change in mindset, thanks to the FSD Africa programme.



CASE STUDY 5

Gender Bond Toolkit: Developing guidelines for issuing gender bonds

The demand for gender-based bonds in Africa is increasing, with various entities utilising these instruments to finance projects aimed at reducing gender inequalities and promoting women's empowerment. There is a clear need for a comprehensive guide to assist institutions and investors in issuing and investing in these bonds while ensuring compliance with international standards.

In response, FSD Africa, in collaboration with the FSD Network Gender Collaborative Programme, British International Investment (BII), and UN Women, has developed a Gender Bond Toolkit. This resource supports gender bond issuers and investors in Africa's public and private sectors, facilitating capital allocation toward social outcomes, including gender equality and women's empowerment.

The toolkit's processes align with the International Capital Market Association's (ICMA) sustainable bond principles and other emerging guidelines. It is structured into two sections: an introduction to gender bonds in Africa and a step-by-step issuance guide.

This initiative significantly advances the use of finance to promote gender equality and women's empowerment on the continent. It underscores the urgent need to address gender disparities, warning that, if current trends persist, over 340 million women and girls (8% of the global female population) will remain in extreme poverty by 2030.

Notably, gender bonds have been issued for the first time in Morocco, Rwanda, South Africa, and Tanzania.

5.4. Lessons learnt

By engaging with capital market stakeholders on convening, advocacy and insights initiatives, we have gathered the following insights:



Addressing capital market challenges in Africa hinges on collaboration among fund managers, investors, policymakers, and other key stakeholders, as well as fostering knowledge-sharing and scalable investment solutions.



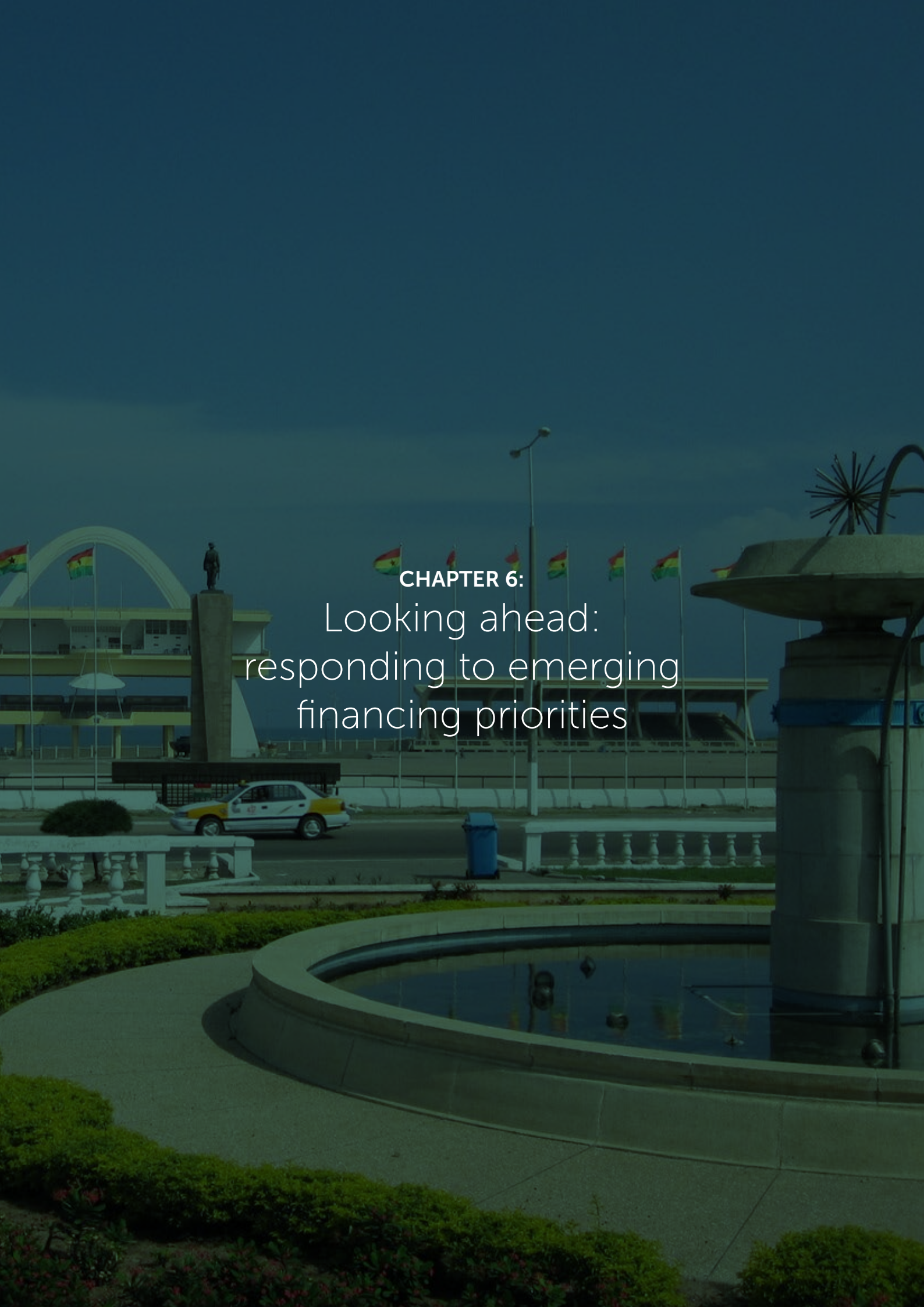
Developing the capacity of financial market actors on climate finance encourages investments in climate-related opportunities, promoting sustainable growth and economic inclusion.



Regular regional stakeholder engagement builds strategic partnerships and improve market adaptability during economic uncertainties.



Effective policy engagement supports sustainable capital flows for real and social sector financing.



CHAPTER 6:
Looking ahead:
responding to emerging
financing priorities

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Looking ahead: responding to emerging financing priorities



The financial sector is changing rapidly. FSD Africa is constantly reviewing and refocusing its approach to capital market development in response to emerging financing priorities.

African capital markets have experienced tremendous growth over the last two decades with an increase in participants and diversity of products in public and private capital markets. The next decade is bound to bring radical offerings in emerging areas such as carbon markets, biodiversity financing and other innovative climate financing solutions.

Acting as a neutral market facilitator, we will continue to enhance policies, regulations and market infrastructure to create an enabling environment for capital market financing while strengthening the capacity of service providers and industry organisations to facilitate linkages between the supply and demand for capital. At the same time, we will continue to support emerging financial instruments that can mobilise funds from private and public capital markets.

Going forward, we will explore further work in the following areas:

- **Sovereign debt management:** In response to increasing debt distress in African countries, which threatens macroeconomic stability and overall economic development, FSD Africa will continue to build the capacities of African governments on debt management. At the same time, will support sustainable financing instruments, such as debt-for-climate swaps and carbon-secured sustainability instruments, to help ease pressure on African governments.
- **Financing Africa's energy transition:** In response to the significant funding commitments needed for Africa's energy transition—USD 120 billion annually until 2040 – FSD Africa will support renewable energy investments that unlock private sector financing.

- **Green jobs in Africa:** In response to Africa's growing and youthful population and growing social unrest over economic mismanagement, FSD Africa will support Africa's entrepreneurial ecosystem, particularly micro, small and medium enterprises (MSMEs) with the potential to create green jobs, and spur innovation and growth.

Partnerships are at the heart of our delivery. FSD Africa will continue to foster networks and partnerships with international and local financial institutions, institutional investors in Africa and globally, development finance institutions, multilateral development banks, philanthropic institutions and other development agencies, technical experts and research institutions, multi-stakeholder platforms and other market actors to enhance the impact of our capital markets work.

FSD Africa invites partners to collaborate on solutions that address market failures, creating a sustainable financing ecosystem for Africa's real economy, and promoting a sustainable future for the continent.



CHAPTER 7:
The FSD Africa
Capital Markets Team



Dr. Evans Osano
Director, Capital Markets
evans@fsdafrica.org

About:

Evans has over 25 years of global experience in investments, financial markets, and development finance. As Director Capital Markets at FSD Africa, he leads capital markets development across 33 countries in Africa. This covers regulatory support, market infrastructure development, products and funds and providing thought-leadership.

Evans and team have pioneered the green and gender bonds markets development in Africa and have helped raise over \$1 billion for sovereign and corporate issuers across Africa. The team has been instrumental in the establishment of disruptive market infrastructure including the Ethiopian Securities Exchange (ESX), EABX and Dhamana Guarantee Company. Evans is currently leading on Local Currency Solution for MDB Portfolio Transfer initiative as part of MDB Capital Adequacy Framework (CAF) reforms by G20. Evans

has also been instrumental in the establishment of two regulator and industry bodies: Africa Pension Supervisors Association (APSA) and Pan-African Fund Managers Association (PAFMA).

Experience: Over 25 years of global experience in investments, capital markets and development finance.

Specialities: Investments, debt capital markets, capital market policy and regulation, market infrastructure, innovation, products

Geographies: Sub-Saharan Africa, Middle East & North Africa (MENA), North America, Europe and South Asia covering over 40 countries .



Mary Njuguna
Principal Specialist, Capital Markets
mary@fsdafrica.org

About:

Mary leads implementation of FSD Africa's capital market policy and regulatory work including, the flagship Africa Regulatory Support Programmes (I and II) and regulatory development work in Ethiopia. She also co-ordinates FSD Africa's transaction and regulatory support for innovative instruments such as gender bonds, development impact bonds, securitisations and real estate investment trusts (REITs).

Before joining FSD Africa, Mary worked at the Capital Market Authority (CMA), Kenya where she led the legal and financial review of all issuances and license applications. She was directly involved in policy and regulatory development for new instruments such as sustainable bonds, REITs and asset backed securities. Prior to joining CMA Kenya, she worked at a Nairobi based law firm providing legal advisory services for a variety of financial transactions.

She holds a Bachelor of Laws degree from the University of Manchester and an MSc in Finance and Financial Law from SOAS University of London.

Experience: 20-years of experience in legal practice, capital market regulation and development.

Specialities: Development of financial sector policy and regulatory frameworks, regulatory review of capital market products, thematic bonds (gender) and new product development.

Geographies: Africa-wide, including Ethiopia, Ghana, Kenya, Nigeria, Rwanda, DR Congo, WAEMU region, Morocco, Zambia, Zimbabwe, Mozambique



Jemima Gathumi
Head of Programmes, Capital Markets
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About:

Jemima is a development finance practitioner with experience in international development, gained from development consulting at KPMG's International Development Advisory practice and from FSD Africa. Her experience in financial sector development has involved deploying technical assistance, capital, and insights to support financial institutions, regulators, and other actors in the financial sector to catalyse economic activity and sustainable growth in the real sector.

Jemima led FSD Africa's inclusion of FSD Ethiopia and coordinates FSD Africa's engagement in Ethiopia.

Jemima is a lawyer and chartered accountant (ACCA) by training and holds an MPhil in Development Finance (cum laude) from the University of Stellenbosch Business School.

Jemima is passionate about Africa and is excited to play a part in developing inclusive financial markets that support the sustainable growth of African economies.

Experience: Over 17 years in international development with more than 10 years of experience in financial sector development.

Specialities: Capital markets development, sustainable finance, agriculture and rural finance, SME finance, digital financial services, M4P/market building/private sector development approaches, strategy development, programme and project management, fundraising and executive board experience.

Geography: Africa-wide, including Ethiopia, Ghana, Sierra Leone, WAEMU, Zimbabwe and USA.



Cecilia Bjerborn Murai
Senior Green Finance Specialist, Capital Markets
cecilia@fsdafrica.org

About:

Cecilia Murai Bjerborn has been an active player in the global sustainable business and finance sector since its inception and has throughout her career established impactful strategies and partnerships for institutions engaged in sustainable finance.

She has worked for over 15 years with the United Nations and the World Bank Group. During this time, she worked on global initiatives such as the UN Principles for Responsible Investing. She also worked at IFC as the Global Sustainable Investing Lead with institutional investors in the United States, Europe, Latin America, Asia, and the Middle East and Southern Africa on their ESG integration strategies. Cecilia was part of pioneering projects such as the implementation of the first ESG equity indices in Brazil, MENA, and India.

She has spent the last decade living and working in Africa,

primarily in transaction advisory for sustainable infrastructure as well as developing the green and sustainable bond markets.

Experience: Over 25 years of experience developing and implementing programs and projects that focus on sustainable finance including sustainable infrastructure, and instruments.

Specialities: Sustainable finance including sustainable finance policy, ESG integration, sustainable taxonomies, investment strategies and investor education and capacity building.

Geographies: Africa-wide, South America, MENA, India, Europe



Victor Nkiiri
Senior Capital Markets Specialist
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About:

Victor is a seasoned Senior Capital Markets Specialist at FSD Africa, with experience in sustainable finance and economic development across Africa. Prior to joining FSD Africa, he served as the General Manager of Securities, overseeing the treasury team at the State Bank of Mauritius (SBM) Kenya. He played a critical role as a member of Kenya's Capital Markets Master Plan Steering Committee, contributing to the country's 10-year Capital Markets Master Plan.

His expertise includes training on fixed income across sub-Saharan Africa through regional stock exchanges and the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI). He has been a member of multiple forums and committees that champion sustainable and inclusive capital market development across Africa.

Victor holds a Master of Leadership in Sustainable Finance from the Frankfurt School of Finance and Management, a Bachelor of Commerce in Finance, and certifications as a Sustainable Finance Expert and Agriculture Finance expert.

Experience: Over 20 years of experience in capital markets development, market infrastructure development, and in fixed income trading and treasury management.

Specialities: Sustainable finance, securities issuance (green, gender, climate-aligned bonds), capital market infrastructure, capital markets master planning.

Geographies: Africa-wide, including East Africa, WAEMU, Nigeria, and Ethiopia.



Vimal Parmar
Senior Capital Markets Specialist
vimal@fsdafrica.org

About:

At FSD Africa, Vimal leads capital market initiatives across Africa, including green/climate, sustainable and health finance. He is passionate about nature and biodiversity finance, ESG, green/climate finance, policy and regulations development, health finance, poverty reduction, environmental conservation, and sustainable investments through creating a positive impact on the livelihoods of people. Vimal has been the country coordinator for all initiatives in Ghana for over 5 years.

Prior to joining FSD Africa, Vimal provided strategic executive board leadership, senior management, and independent consultancy expertise in well-respected African and global firms in the investment banking space.

Vimal is a CFA® Charter holder and holds an MBA from the UK. He is also a certified expert in Health Economics and

Policy and has completed executive training in Climate and Sustainable Energy Finance, Nature Finance and ESG investing.

Experience: Over 19 years of experience in capital markets, policy development, development finance, capital raising and mobilisation, transaction advisory, research, and investments.

Specialities: Executive Board experience, fund raising and mobilisation, green/climate finance, partnerships development, sustainable investments, and capacity building.

Geographies: Africa-wide in over 40 countries, Middle East



Adebayo Araoye
Specialist, Capital Markets
adebayo@fsdafrica.org

About:

At FSD Africa, Adebayo leads the implementation of the Nigerian Green Bond Market Development and the Africa Private Equity & Private Debt Programmes. He also spearheads SME financing initiatives across Africa, including the establishment of a Listed SME fund in Ghana and an MSME Debt Fund in Kenya. Adebayo coordinates the Pan-African Fund Managers Initiative which has a representation of 16 African countries.

Prior to joining FSD Africa, Adebayo worked in PwC's Capital Markets Advisory practice, where he supported clients in implementing capital-raising strategies. He also supported stakeholders like stock exchanges, financial regulators, and development finance institutions in executing market devel-

opment initiatives, conducting market research studies and assessments, and designing a capital market master plan.

Adebayo holds a Master's degree in Finance from the University of Lagos and is a Certified Expert in Sustainable Finance.

Experience: Over 10 years of capital markets experience across transaction & advisory, securities regulation, strategy, and regulatory development.

Specialities: Private markets, fundraising, innovative finance, policy and regulation, capital markets strategy.

Geographies: Africa-wide



Amos Mugi
Technical Specialist, Capital Markets
amugi@fsdafrica.org

About:

Amos is a financial market professional with experience in capital markets, investments and treasury across sub-Saharan Africa and the United States. Amos has a keen interest in securing long-term, sustainable finance for Africa's businesses and transitioning the continent to clean energy use.

At FSD Africa, Amos is responsible for originating, structuring and implementing innovative capital markets development initiatives in debt capital markets, sustainable finance, blended finance structures, guarantees and credit enhancement mechanisms. He leads FSD Africa's work in asset management, pensions and money market development in Africa. Prior to joining FSD Africa, he managed \$8 billion in foreign exchange reserves assets at the Central Bank of Kenya.

Amos holds a MSc in Finance from the University of Nairobi; is a Certified Financial Risk Manager (FRM®) and is a Certified Public Accountant (CPA). He is also a fellow of the IFC-Milken Institute Capital Markets Leaders Program.

Experience: 10 years' experience in debt capital markets, sustainable finance, investments, treasury, risk, market research and advisory.

Specialities: innovative finance, sustainable finance, resource mobilization, technical assistance and grants deployment.

Geographies: Africa and the United States



Brian Yalla
Technical Specialist, Capital Markets
brian@fsdafrica.org

About:

Brian has a keen interest in the role of capital markets in supporting Africa to realise its potential. His areas of interest include alternative investments, financial technology, debt capital markets, and sustainable finance.

At FSD Africa he supports and oversees the implementation of capital markets development initiatives and programmes in close collaboration with implementing and strategic partners including; governments, policymakers, regulators, industry associations among other stakeholders. Alongside the various stakeholders, Brian has successfully led the design and development of some of the innovative capital markets development programmes and projects currently being implemented.

Brian is a PhD student; he holds two Master's level qualifications in Mathematical Finance and Financial Engineering. He holds the CFA® Charter & Certificate in Investment Performance Measurement (CIPM) from the CFA Institute (USA).

Experience: Over 11 years of experience in research and planning, sustainable capital markets development, and development finance.

Specialities: Alternative investments, research & analysis, sustainable finance, debt management & analysis, financial markets infrastructure, and fin-tech.

Geographies: Africa-wide



Grace P. Mdemu
Technical Green Finance Specialist, Capital Markets
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About:

At FSD Africa, Grace leads and supports capital markets initiatives across Africa. She is also the organization's country coordinator for Tanzania.

Prior to joining FSD Africa, Grace worked as a Business Development Officer at the African Guarantee Fund (AGF) where she was in charge of originating deals, conducting due diligence, providing technical assistance and portfolio monitoring for partner financial institutions. Additionally, Grace has worked as a risk consultant at KPMG East Africa. Grace has a degree in International Business Administration, an MBA (Strategic Management) from the United States International University-Africa (USIU) and a Master's degree in Leadership in Sustainable Finance from the Frankfurt School of Finance and Management.

Experience: Over 13 years' experience in sustainable development finance, investments, and risk consulting.

Specialities: capital markets, ESG and impact investing, SME finance, credit enhancement facilities, sustainable finance, internal audit, enterprise risk management, compliance.

Geographies: Africa-wide including, Kenya, Tanzania, Uganda, Togo, Ethiopia, Malawi, Zambia, South Africa, Botswana, Zimbabwe, Mozambique, Namibia and Angola.



Sandy O. Okoth
Technical Green Finance Specialist, Capital Markets
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About:

Sandy supports and leads the implementation of capital markets strategies and interventions in green finance in Africa. He is the Morocco and North Africa coordinator. He currently coordinates FSD Africa's technical assistance towards innovative finance transactions including green bond issuances across Africa and thought leadership through climate finance research. Sandy also leads the Africa Climate Finance Leadership Programme offered jointly with Cambridge Institute for Sustainability Leadership (CISL) and International Institute for Environment and Development (IIED).

Prior to joining FSD Africa, Sandy was the Acting Regional Manager – Sustainable Investments and the Regional Sustainable Finance Expert – co leading a Regional Programme and leading the Africa Sustainable Finance hub at WWF.

He holds a Master's degree (MSc) in Finance, Investments and Risk (UK) and has undertaken numerous training programmes from the University of Oxford, including Transition Planning, Transition Finance and Sustainability-Linked Instruments and the Sustainable Finance Programme.

Experience: 12 years of experience in development finance, sustainable finance, sustainable investments and corporate finance transactions advisory.

Specialities: Sustainable finance; green finance; climate finance, responsible investments; and ESG through strategy, programme design, development and implementation, and policy and regulatory framework reviews and capacity enhancement.

Geographies: Africa-wide, UAE and the United Kingdom.



Joy V. Kendi
Associate, Capital Market
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About:

Joy is an Economist specialising in capital markets policy and regulatory development, advancing sustainable capital mobilisation through tools like gender bonds, green bonds, and carbon markets. She is passionate about climate finance, gender empowerment, and fintech for inclusive financing. She also supports energy transition financing in her role at FSD Africa.

Previously, Joy worked in Market Operations at Kenya's Capital Markets Authority (CMA) and has banking operations experience with Equity Bank Kenya and Citibank Kenya.

Joy holds Master's and Bachelor's degrees in Economics from the University of Nairobi and is a Certified Expert in Sustainable Finance from the Frankfurt School of Finance and Management.

Experience: Eight years' combined experience in banking operations and capital markets.

Specialities: Capital markets including climate finance, gender financing, carbon markets and energy financing, capital markets supervision and regulatory compliance, corporate governance and ESG assessments, fintech & regulatory sandboxes and banking operations.

Geographies: East African Region, Southern African Development Community (SADC) region, and West African Economic and Monetary Union (WAEMU) region.



John Ross Sogbossi
Green Finance Associate, Capital Markets
Johnross@fsdafrica.org

About:

John Ross is an investment professional, with a keen interest in sourcing and developing sustainable investment channels for governments and private corporations in Africa.

In his role at FSD Africa, John provides support on capital markets projects across Africa and supports the development of green finance strategies and transactions. His work focuses on transformative and long-term solutions that not only attract investment at scale but also provide climate-resiliency structures to local communities.

Prior to joining FSD Africa, he worked at SGI-Benin, the first investment banking and stock brokerage company in Benin. His team led issuances and underwritings for Benin's National Treasury sovereign bonds, raising more than US\$

1.6 billion in local currency. He also worked on the establishment of a fundraising mechanism through Municipal bonds to facilitate decentralized development. This helped cities like Cotonou, Bamako, and Brazzaville, to finance community projects and build resilience in times of crisis.

Experience: 8 years of experience in supporting capital markets transactions, investment banking and resource mobilization with SME readiness across the WAEMU region. Specialities: green finance, financial engineering, corporate governance, investment banking, business modelling.

Geographies: Africa-wide, with a focus on the WAEMU and CEMAC regions.



Cynthia Burudi
Assistant Programmes, Capital Markets
Cynthia@fsdafrica.org

About:

Cynthia brings over 8 years of experience in the non-profit sector, specializing in Program and Operations Management. Her expertise spans Project Coordination and Management, Stakeholder Engagement, Events and Logistics Management, and Training Coordination. She excels in managing diverse initiatives and fostering effective collaboration among teams and stakeholders, ensuring alignment toward project goals and objectives.

Cynthia holds a Master's degree in Project Planning and Management from the University of Nairobi, a Bachelor's degree in Human Nutrition from the Technical University, and is a certified Project Management Professional (PMP)

Experience: 8 years of experience in program and operations management.

Specialities: Project Coordination and Management, Stakeholder Engagement, Events and Logistics Management, and Training Coordination

Geographies: Kenya



Evelyne Matibe
Assistant Programmes, Capital Markets
evelyne@fsdafrica.org

About:

Evelyne is a seasoned programme coordinator and administrator with over six years of experience in projects coordination and management. Prior to joining FSD Africa, she was the Training Coordinator at MicroSave Consulting, a boutique consulting firm that works towards meaningful financial, social, and economic inclusion.

She holds a Diploma in Project Management and a Bachelor's degree in Business Administration from Kenya Methodist University.

Experience: Six years of experience in project coordination.

Specialities: Project coordination and management, business administration and logistics, training coordination, and marketing.

Geographies: Kenya



Lilian Bwire
Assistant, Capital Markets
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About:

Lilian Bwire is a financial economist by training. She is enthusiastic about the role of sustainable and inclusive financing in supporting the development agenda for African countries. Her interests lie in data analysis, research, equitable development financing, and project management. In her current role at FSD Africa, she supports the Capital Markets team across all elements of the project management cycle including project design, approval document preparation, support resource planning function, and tracking of progress on projects.

Lilian holds a Bachelor's degree in Financial Economics

from Strathmore University, Nairobi and is a certified Gender Equality Champion.

Experience: 3 years of experience in programme management, resource planning, research and administration support.

Specialities: Research, data analysis, and project management.

Geographies: Kenya



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