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FSD Africa

# Communications Strategy

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May 2024



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# Context

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# FSD Africa's purpose and mission

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## WHY WE EXIST



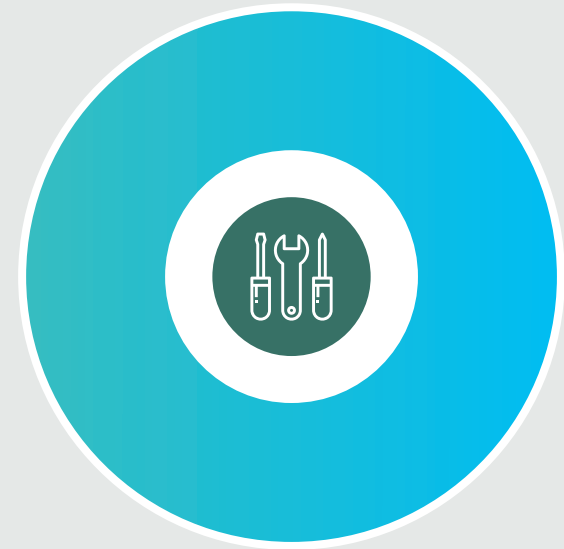
To make finance work  
for Africa's future

## WHAT WE WANT TO ACHIEVE



To create a sustainable future  
for Africa's people and its  
natural environment

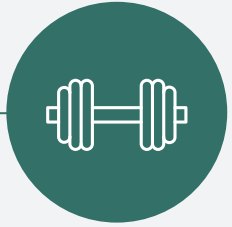
## HOW WE DO IT



We provide tools and resources  
to drive large-scale change in  
financial markets to better support  
sustainable economic development

# Challenges and opportunities

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## Strengths

- Unique focus on the financial system
- 10+ years track record
- A system wide approach to market building
- Broad range of tools including TA, equity, debt
- Strong brand within Africa's financial sector
- Present at many high-level forums
- Agile and responsive to Africa's changing needs
- Pan-African reach and excellent network
- Technical experts with over 80 staff
- Straddles the public and private sectors
- Confidence from our main donor, FCDO
- Work highlighted in UK govt white paper
- Consistent high scores (A) in annual reviews



## Opportunities

- FSDA's narrative of green growth path for Africa backed by Nairobi Declaration
- Expertise and thought leadership in new growth areas e.g. Nature, Carbon
- Bold target to increase private climate finance from \$4bn to \$100bn / annum by 2030
- Opportunity to contribute to solutions addressing Africa's debt crisis and MDB reform
- Increasing interest in mobilising domestic capital (FSDA's main focus)
- Potential new donors / partners in Europe
- Alignment behind 3 cross-pillar programmes

# Challenges and opportunities continued

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## Weaknesses

- What we do is complex and not easy to communicate (made worse by jargon)
- Highly dependent on one donor – UK govt
- Impact not easy to evidence or disaggregate
- Good at saying what we are doing but not so good at explaining why
- Size of investments small compared to other DFIs
- Work across many different areas makes presenting a coherent narrative challenging
- Siloed working within the organisation
- Communications too tactical and driven by eventing
- In an echo chamber - same people at our events



## Threats

- Lots of noise from other, larger institutions
- Too little understanding of what FSD Africa does and how it is different from other DFIs
- Failure to translate market building activity into large scale transactions
- Change of government in UK and within FCDO
- Risk of fraud / mismanagement within projects
- Claims about impact don't stand up to scrutiny
- Target to increase private finance too ambitious
- Or not ambitious enough to make a difference
- Regional conflicts disrupt programming
- Global attention is elsewhere (Ukraine/ME/China)
- Afro-pessimism

# Pillar strategies

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## Capital Markets

**The why:** building for scale, building for resilience

**The what:** to mobilise US\$ 500 million of green capital in FY 23/24 and US\$5 billion over 5 years

**The how:** focus on Transactions, Pipeline Development, Fund Raising, Market building initiatives (EABX/ESX); transaction support (gender/green bonds); innovative climate finance structures (KCEF; ACORN; Portfolio Risk Transfer facility); thought leadership (APSN/PAFMA)

**New focus:** carbon markets, nature financing, pilot programme on debt, MDB

**Asks of comms:** more strategic comms / less tactical;

**Best known for:** green bonds

## Risk & Resilience

**The why:** to catalyse the African financial sector to build resilience to the biggest long-term risks the continent faces, such as climate change and nature loss.

**The what:** leveraging finance in three big areas:

- Nature and biodiversity
- Sustainable insurance
- Innovation for resilience

**The how:** focusing on:

- Large partnerships that crowd in funds and resources
- Developing large transactions
- Catalysing innovative market solutions
- Capacity building and support for regulators

**Best known for:** ANCA, NDSI

# Pillar strategies continued

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## Early-Stage Finance

**The why:** capitalising on Africa's early stage start-ups

**The what:** to develop financing platforms to scale early-stage start-up finance, particularly in climate adaptation and mitigation, and carbon projects.

**The how:** we invest in programmes that are innovative, leverage Africa's talent and resources to realise opportunities created through early-stage finance start-ups and to solve the frontier financing challenge and crowd in climate finance to support Africa's green growth.

**Best known for:** Catalyst, TECA, Cavex

## FSDAi

**The why:** FSDAi's purpose is to transform Africa's financial markets so that they are better able to deliver better-quality jobs and economic opportunities, equitable access to basic services, reduction of human vulnerability and inequity, and environmental benefits.

**The what:** It invests in novel financial instruments, facilities and intermediaries in support of its policy objectives and to accelerate the role of finance in Africa's green economic growth.

**The how:** FSDAi uses capital to test, accelerate and mobilise finance.

**Best known for:** ALCBF, MFS Africa, Lendable, Nithio

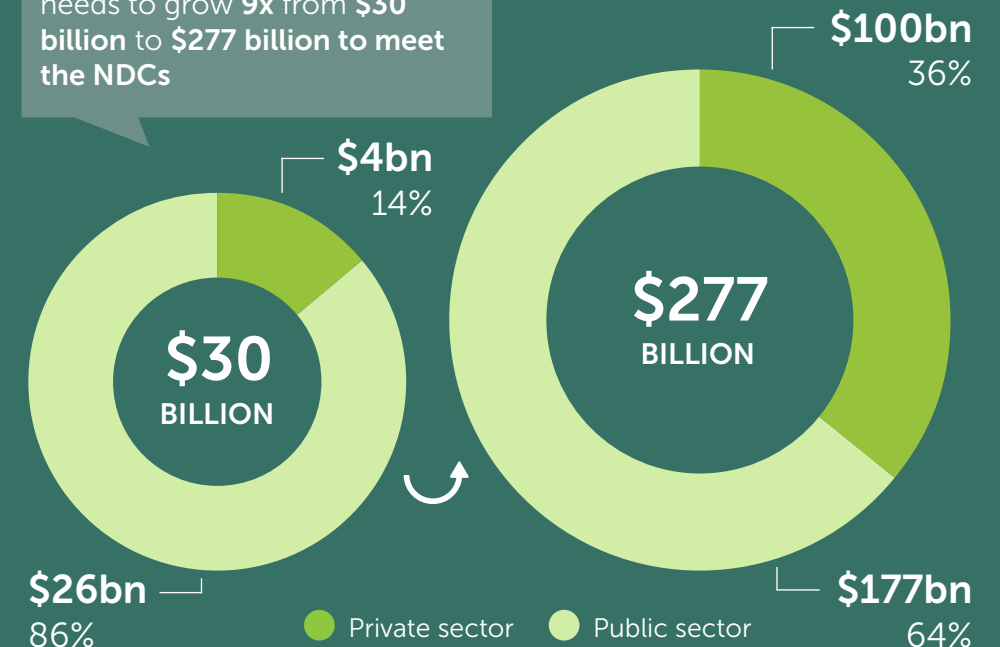
# New developments

- 1. Different context:** Nairobi Declaration; debt distress; MDB reform
- 2. Cross-cutting themes:** carbon; nature; innovative finance
- 3. Search for new donors and partners**
- 4. New business case** for FSDAi
- 5. Possible expansion into new areas** e.g. agriculture and energy
- 6. Re-organisation** with new Early Stage Financing pillar and matrix approach
- 7. Supporting several new entities** ANCA, NDSI, APSA

## Focus on mobilising domestic capital

**Our ambition:** to grow private climate finance from \$4bn to \$100bn per annum by 2030

Climate finance for Africa needs to grow **9x** from **\$30 billion** to **\$277 billion** to meet the NDCs





# New strategic framework

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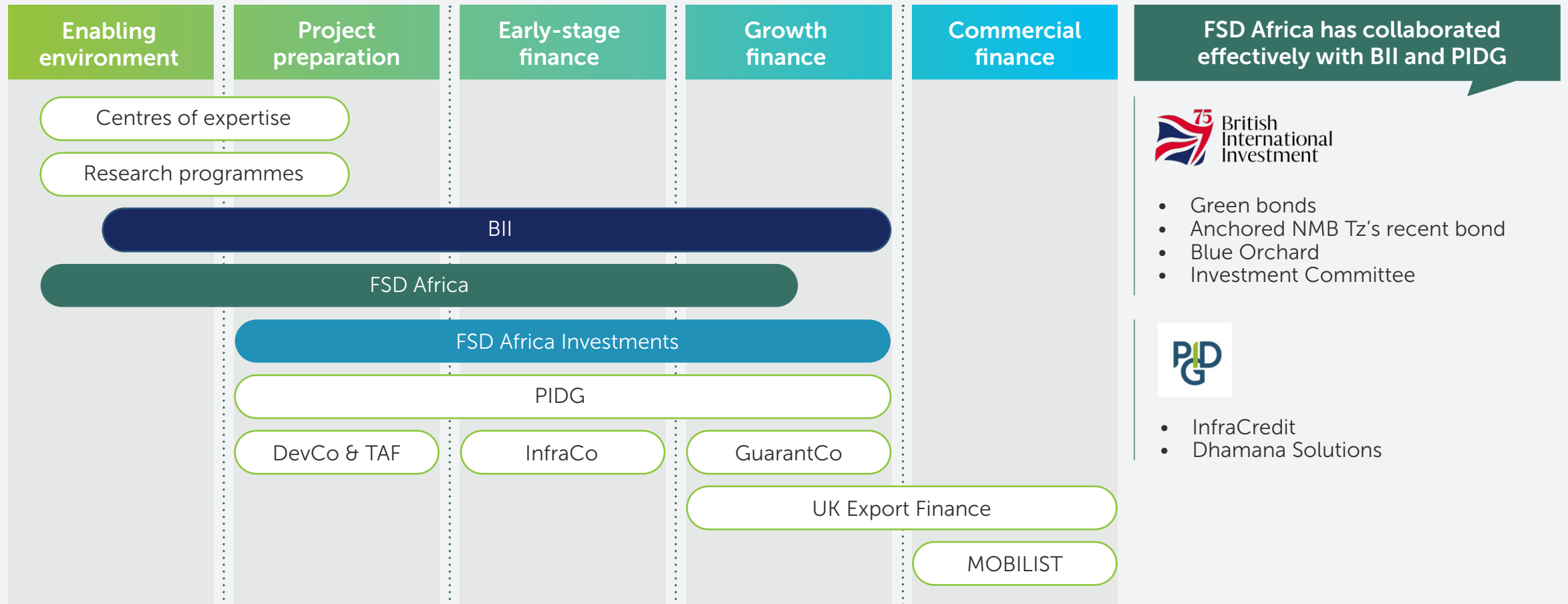
# FSDAi and FSD Africa

Sister organisations with distinct and complementary roles

## MAKE FINANCE WORK FOR AFRICA'S GROWTH



# Position within the UK's development finance offer



# What we have learned (about comms) over the years

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1. We need to be agile and respond quickly to changing needs/ priorities incl. those of our donors... and so does our communications.
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2. Regular, consistent and creative digital content (esp. short video) yields results. But planning through content calendars etc. is crucial.
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3. When we put resource into one programme with a clear and unique value proposition (e.g. nature/ANCA) we see rapid progress.
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4. When comms is integrated from the start of a programme it results in more strategic, coherent and impactful communications.
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5. Investing in deeper engagement with donor pays dividends (e.g. highlighted in white paper/ minister keen to support our events).
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6. Fewer, high impact activities will deliver better ROI. We can waste a huge amount of time and money on communications that do not have any impact.
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7. Announcements linked to big events can often be lost amid the noise. We need to break from the herd to be heard.
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8. Eventing is a crucial part of our advocacy but unless we evolve our approach we will end up with half empty rooms talking to the same people.
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9. We, like all organisations, need to embrace the opportunities and address the challenges of new technology such as AI.

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# The communications strategy

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# Our objectives

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1.	Encourage partnerships and investments in Africa's financial sector	6.	Raise awareness among potential donors and partners
2.	Increase buy in of all stakeholders to FSD Africa's mission and purpose by explaining how it benefits both people and planet	7.	Establish FSD Africa as thought leaders and innovators
3.	Increase understanding of the need for reform of financial systems	8.	Ensure all stakeholders are kept informed about FSDA's work
4.	Build trust and credibility by providing evidence of impact	9.	Increase FSDA's share of voice relative to similar organisations
5.	Demonstrate our African-ness by showing how we are responsive to Africa's unique challenges	10.	Encourage internal learning (FSDA staff) and knowledge sharing to enhance staff capacity for effective delivery of interventions

# In order to deliver on these we need to...

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Create a distinctive FSDA brand and voice underpinned by regular and consistent messaging

Strengthen our results focus and impact narrative with HMG and other donors

Build awareness of the value of FSD Africa's work among a wider audience

Provide more concrete evidence of impact through evaluation reports, etc.



Increase understanding of what we do and why

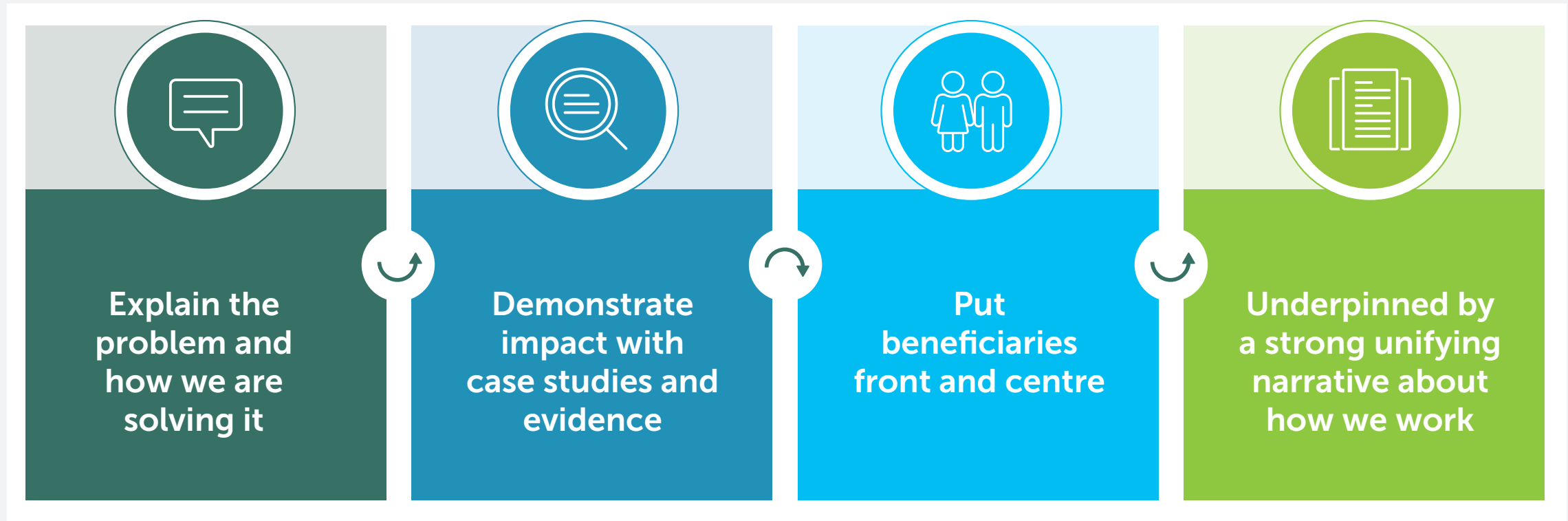
Make our communications more impactful by being more focused

Demonstrate our thought leadership by getting involved in the big debates (e.g. debt)

# ...through impact led story telling

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TALK ABOUT OUTCOMES **RATHER THAN PROCESS**





# ...and by focusing on four big cross-pillar campaigns

within each of which there will be a flagship project with strongest USP and clearest evidence of impact

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1.



## Nature

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ANCA, BIRA, ALU/  
leadership, Pula

## Carbon

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Cavex, BURN,  
West Africa Blue,  
Rabobank

2.



3.



## Innovative finance

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Sustainability Bonds,  
RSBF, KCEF, Infracredit,  
ACRE, Nyala, EABX/ESX

## Building resilience

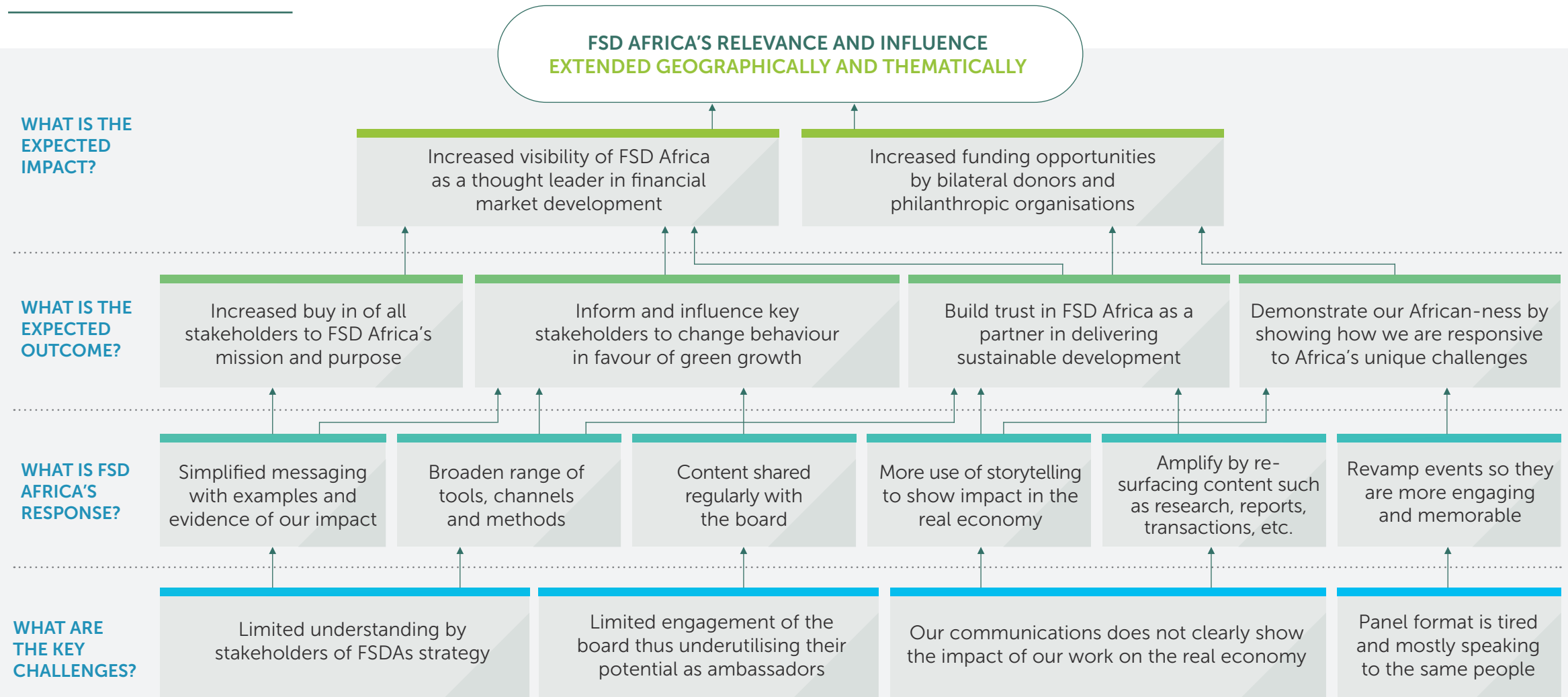
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NDSI, Bimalab,  
Catalyst, Teca, Lagos,  
Geothermal

4.



# FSD Africa Theory of Change - Communications



# Delivery

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- All communications is case study / impact led
- Focus our media engagement on fewer areas with the strongest story
- Ensure consistent messaging by creating template copy for each programme
- Show thought leadership by producing short, fast-turnaround reports on current market trends, developments and events
- Demonstrate our role as changemakers and innovators by generating ideas, taking positions, being more disruptive
- Broaden the range of tools, channels and methods and become more creative in how we communicate
- Revamp our eventing to make it more interesting, memorable and impactful (fewer but higher impact events, using a variety of formats).
- Be more systematic and track the impact of our work to evidence how we are producing long term and systemic change
- Leverage the brand power and reach of major partners by doing more joint comms and inserting more quotes in their comms
- Amplify by re-surfacing content such as research, reports, transactions etc through social media and other channels
- Showcase our networks and influence through co-hosted events / speaker opps for our own events, joint op eds, podcast,



# Critical success factors

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- Improved picture and video library
- Message house with key messages and proof points
- Stakeholder survey to measure how FSDA is perceived and clarity about its mission / work
- Tool kit of event formats
- A set of boiler plate messaging for every programme to ensure consistency of message
- Regular calendar of training
- Crisis communications plan
- Risk management comms strategy deployed across the organisation
- Communication policy
- Set of reactive responses to difficult questions
- Content calendars to ensure more regular and consistent flow of content
- Stakeholder mapping for better public affairs and advocacy
- Longer lead times for all external communications activities
- Better use of commissioning forms
- Invite lists more targeted and try to diversify speakers
- Decide what subjects we want to have an opinion on
- Regularly updated stakeholder database
- Customer Relationship Management tool
- Engage board and get them to be our champions



# Measuring success

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- Amount of new funds raised with support of comms
- Number of new engagements with potential donors and partners
- Increased positive perception of FSDA and clarity about its mission among stakeholders (increase from baseline in stakeholder survey)
- Stakeholders feel they are getting regular updates on the successes and impacts of key programmes (from survey)
- Increased no of testimonials from governments, ministers and donors highlighting FSDAs work, impact and results.
- Increased following and interactions on social media channels (target 10% year on year)
- More positive mentions of FSDA's work in UK Parliament, by UK-based think tanks and academics
- Number of appearances or references to FSD Africa's work in African media, domestic and regional
- FSD Africa is regularly referred to or quoted in tier 1 international media and in media in donor target countries i.e. US, Europe
- Quality of our visual assets is improved
- All of our flagship projects receive media attention
- FSD Africa speakers invited to take part in more high-profile events
- Our research, case studies and key messages are widely referenced
- FSD Africa's support is recognised when beneficiaries report progress
- FSDA events regularly attract top level speakers, a large and more diverse audience and are referenced positively



# Key audiences

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## Financial institutions

**Motivation:** want to advance their ESG agenda (and burnish their credentials); technical advice in areas they are not expert in (e.g. green bonds); alliances they can be part (e.g. ANCA); able to feed in to international discussions

**What we want them to do:** direct finance to sustainable development; adopt ESG principles

**Barriers:** lack of understanding of certain areas i.e. nature; lack of awareness of FSDA; small in-house resource and little engagement by senior leadership

**Channels:** tier one media; finance/business media; conferences

**Content:** thought leadership; case studies; white papers/reports

## FCDO

**Motivation:** see FSDA as regional programme, with the ability to provide support across the continent. Closely aligned to UK priorities (FSD Africa is “our extended team” with close ties to (and accountability) to FCDO offices, as well as to the centre, and a greatly increased emphasis on UK visibility.

**What we want them to do:** maintain funding and support

**Barriers:** high level of knowledge but among relatively small part of the organisation

**Channels:** 1:1 meetings; weekly reports; quarterly reporting:

**Content:** to emphasise how FSDA is part of reforming and greening the global financial system to help developing countries deal with debt, climate and nature crises.



# Key audiences continued

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## UK parliamentarians

**Motivation:** want to see how it supports UK agenda and that it is spending taxpayers money effectively and efficiently; Tory MPs want a success story to show British influence

**What we want them to do:** support FSDA's mission and continued funding

**Barriers:** little understanding of role of financial sector; potential concern about whether should be spending aid money on this rather than humanitarian programmes given the reduced pot; little relevance to their constituents esp in an election year.

**Channels:** political media and blogs; drop-in session in Parliament; APPG session; submissions to select committee inquiries; contact programme; regular updates

**Content:** impact/success stories; thought leadership

## Donors/ philanthropies

**Motivation:** want to see how it supports their objectives / priorities

**What we want them to do:** provide funding

**Barriers:** lack of awareness; not speaking in the language they use or focusing on areas they are most interested in e.g. rural livelihoods

**Channels:** tier one media; events; reports; contact programme

**Content:** thought leadership; impact stories



# Key audiences continued

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## Asset managers/ investors

**Motivation:** looking for investment opportunities; need to meet net-zero/ ESG targets; need neutral partners with the local knowledge and networks across Africa they lack

**What we want them to do:** direct funds to sustainable investments in Africa

**Barriers:** perception that Africa is high risk;

**Channels:** tier one media; financial and business media; conferences

**Content:** case studies; impact figures; research and analysis

## Intermediaries

**Motivation:** looking for opportunities/contracts; partners without competing commercial agendas who can open the door to new networks and markets; influence with UK govt

**What we want them to do:** partner, co-create solutions

**Barriers:** may work with other competing organisations

**Channels:** tier one media; financial and business media; conferences

**Content:** thought leadership; case studies; endorsements; reports/white papers





# Key audiences continued

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## Regulators/ policymakers/ CMA

**Motivation:** want experts who can give technical advice, training, drafting; free resource without commercial agenda; need a facilitator that understands and can mobilise the private sector

**What we want them to do:** develop policy and regulation that encourages investment in sustainable development

**Barriers:** other priorities; FSD Africa too associated with the UK government; highly risk averse; want a high level of control.

**Channels:** country-level and pan-African media; conferences; website; social media

**Content:** scoping studies; research; analysis; case studies; reports/ white papers

## Beneficiaries/ SMEs

**Motivation:** looking for new sources of finance and/or assistance

**What we want them to do:** access finance to develop and grow their business, understand role of FSDA

**Barriers:** no awareness of brand; misunderstanding of how FSDA and FSDAi work i.e. that we don't provide finance direct to businesses

**Channels:** country level and pan-African media; social media; website

**Content:** impact stories



# Key audiences continued

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## Think tanks/ higher learning institutions

**Motivation:** want sponsorship; to influence policy; credible partners; an approach that fits within their mission/ethos; subject matter that will interest their audiences

**What we want them to do:** partner with us; reference our work; provide a platform for our speakers; conduct research with/for us; provide training & professional development expertise

**Barriers:** lack of awareness; not interested in our area of work; want too much money

**Channels:** tier one media; references in academic papers/reports; UK govt policy docs & communications; conferences; bilaterals

**Content:** thought leadership; studies and evaluations of projects; 3<sup>rd</sup> party endorsements

## NGOs/ civil society

**Motivation:** interesting work; similar objectives; potential partner; ability to bring private sector along; strength of ideas

**What we want them to do:** partner on solutions, help raise awareness of need for reform; not criticise UK govt for providing more funding to FSDAi

**Barriers:** sceptical that private sector can fill development funding gap; seen as taking UK ODA away from poverty alleviation

**Channels:** tier one media; 3<sup>rd</sup> sector media i.e. Devex; conferences

**Content:** impact stories; thought leadership; reports/white papers



# Key audiences continued

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## Staff

**Motivation:** want to feel secure in their jobs and proud of their work; to understand what the organisation is doing and trying to achieve so they can communicate that

**What we want them to do:** have better understanding of FSDA's mission, purpose and way of working, less silo working

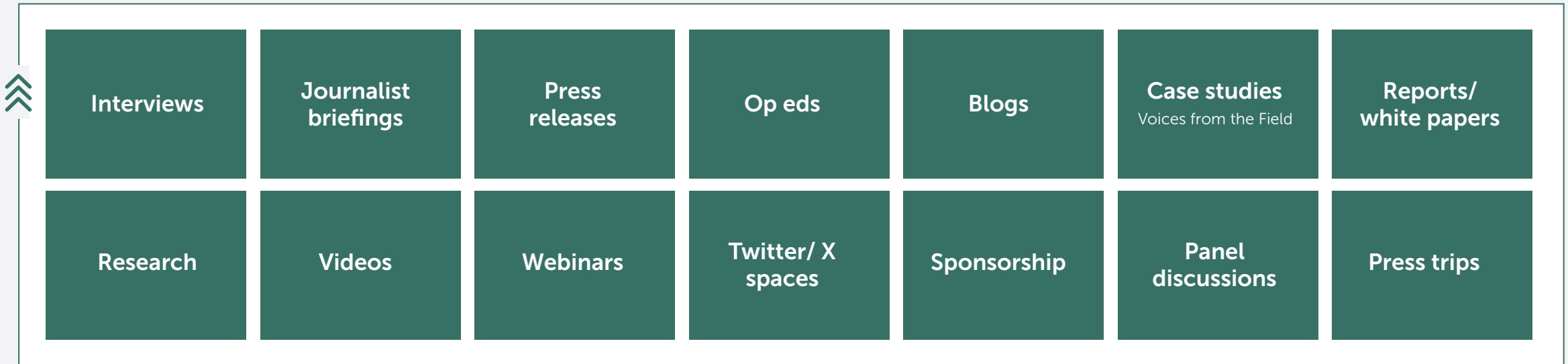
**Barriers:** silos within the organisation mean information not shared; virtual working means reduced opportunities to meet and discuss informally

**Channels:** intranet; townhalls; Choma sessions; website; social media; social activities

**Content:** news and views; impact stories; updates on financial situation



# Channels and tools



## Channels we use

- Social media – LinkedIn, Twitter/X, Instagram, Youtube
- Website
- (Earned) Media
- Events
- Publications/ marketing materials

## In the future

- TikTok
- Podcasts
- VNRs
- Influencers
- Virtual reality
- Parliamentary drop-ins

# Adapting to new technology

The communications landscape is changing rapidly with the emergence of new channels and new technologies. We need to embrace innovation to maintain relevance, credibility, and influence but at the same manage the risks

## KEY PRINCIPLES

### Ethical considerations

All technological adoption and communications strategies should align with FSD Africa's core values, emphasising transparency, fairness, and the prioritisation of human welfare

### Risk Management

We prioritise robust cybersecurity and data protection to safeguard our stakeholders. Our response plan to potential technological disruptions is to be comprehensive and flexible.

### Continuous Learning and Adaptation

The technological landscape is in a constant state of flux. Our strategy aims to be agile and adaptive, ensuring we stay ahead of the curve. This includes regular monitoring, evaluation, and adjustments.

### Focus on Impact

Technology is a means to an end. Our emphasis is always on improving access to quality financial services, accelerating economic opportunity, and to catalyse large-scale and long-term change in Africa's financial markets.

# Adapting to new technology continued

We need to carefully evaluate every new channel before we devote time and resources

## ASSESSMENT CRITERIA

	<b>Audience Alignment</b>	Does the channel reach your target stakeholders (policymakers, financial institutions, investors, beneficiaries, etc.)?
	<b>Content Fit</b>	Is the channel suitable for the types of messages you want to share (data-driven reports, impact stories, thought leadership, etc.)?
	<b>Resource Requirements</b>	Do we have the capacity to create platform-specific content and engage effectively?



# Our Approach to Artificial Intelligence

Artificial Intelligence can be a powerful tool but it needs to be deployed responsibly and ethically. We have drawn up the following principles to guide our approach

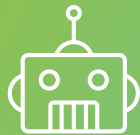
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AI-generated images should never be used to misrepresent reality, mislead our audiences, or fabricate information. When such images are utilised, their generated nature must be clearly disclosed.



We will not use AI-generated images depicting people without their explicit consent, or in ways that could cause harm, defamation, or perpetuate harmful stereotypes. AI-generated imagery should promote diversity, inclusion, and respect for all.



When utilising AI image generation tools, we will respect all intellectual property rights. Awareness of source materials used to train AI models is important to avoid potential copyright issues.



While AI can be a valuable tool in generating images, it should never replace original human creativity and storytelling. We will continue to prioritise authentic photography and illustrations that capture the true essence of our work and mission.

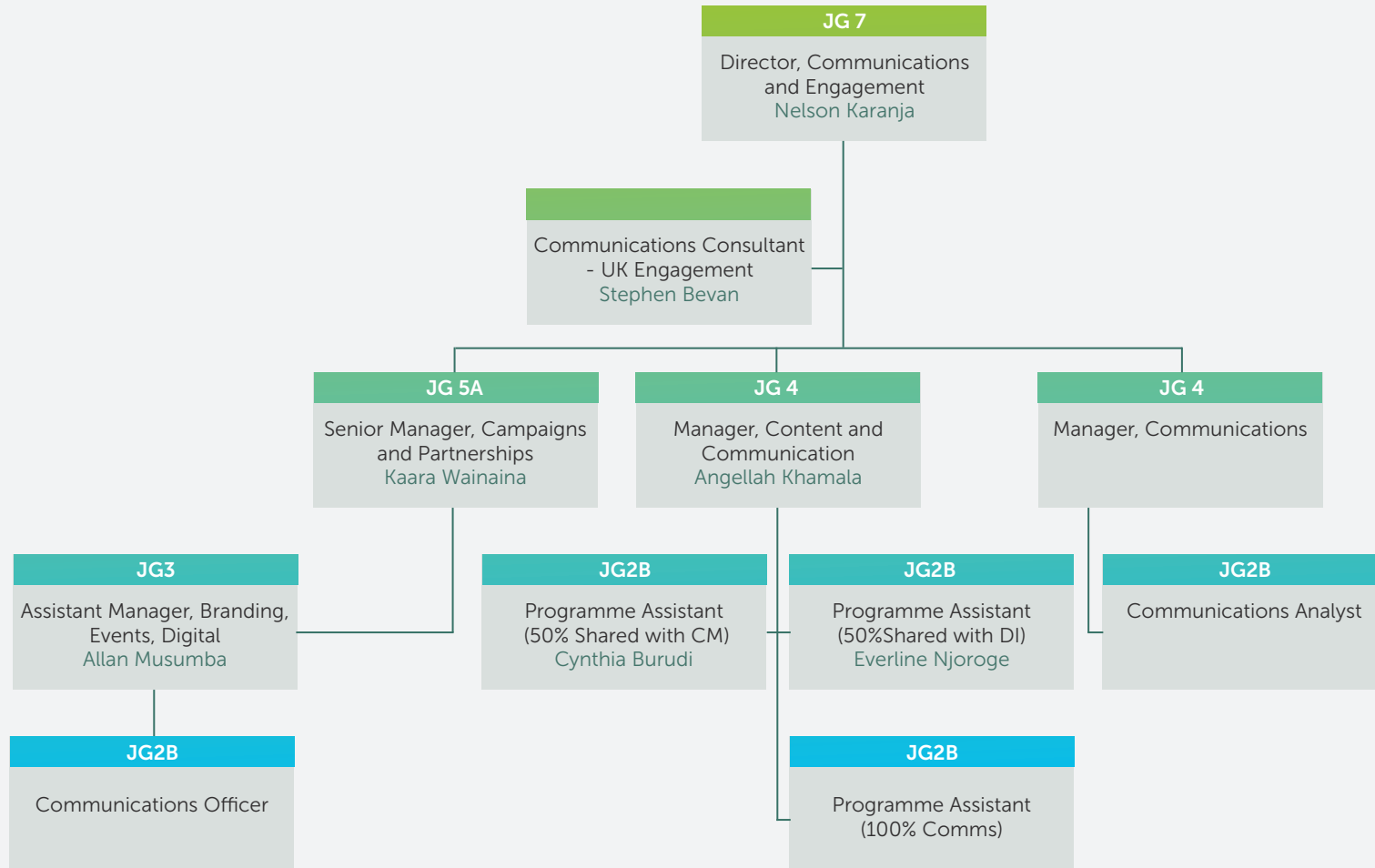


When utilising AI-generated images, we'll strive for transparency. We'll acknowledge their use, explaining the purpose in a way understandable to audiences. This fosters trust and confidence in our communications.



As AI technology evolves, we will continually evaluate our use of AI in communications. We will adapt our guidelines to ensure alignment with evolving ethical standards and best practices.

# Resourcing the Strategy – Team Structure



## Consultancy support

Digital Agency

Press Office

Graphic Designers

Writers/Editors

Photography/Videography

UK/Europe Public Affairs  
& Strategic Comms



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# Messaging

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# The narrative

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## Current narrative

We invest in bold and innovative programmes that leverage African partnerships, talent and natural assets to mobilise domestic and international capital and strengthen financial systems in order to build resilience and drive green, equitable economic growth in Africa.



## Proposed new narrative

We believe that for Africa to realise its true potential it needs a financial sector that better meets its needs, providing finance for business and communities and investment in new solutions to the big challenges of poverty, climate change and biodiversity loss. We aim to break down the barriers that prevent this from happening using our technical knowhow and financial instruments to bring about long term, systemic change and so help deliver a sustainable future for people and planet.

## Alternative

We believe private finance has a critical role to play in helping Africa meet the big challenges facing it such as climate change and biodiversity loss whilst also delivering greater prosperity and improved living standards for all. Our role is to get the finance flowing to where it is most needed by working with policy makers and regulators to create the right market conditions and by supporting innovation in products and services among all market players from start-ups to asset managers and major financial institutions.

# FSD Africa message house

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## What is FSD Africa?

We are a specialist development agency working to build and strengthen financial markets across sub-Saharan Africa.

FSD Africa was established by the UK government in 2012 as a Kenyan not for profit company limited by guarantee. From our headquarters in Nairobi we have designed and delivered programmes spanning more than 30 countries.

From our original focus on tackling financial exclusion, we have embarked on an even more ambitious mission to make finance work for all Africans. Our aim is to mobilise capital, particularly private capital both international and domestic, to provide long term financing for Africa's development needs and to create long term systemic change in the financial markets.

Our focus is on "green plus " investment capital, that is capital which will power economic and social development whilst also delivering environmental gains.

## What do you do?

We work with all parts of the financial ecosystem from financial institutions to regulators, bringing our technical expertise along with a range of financial instruments such as grants, loans and guarantees along with investment capital, to get finance flowing to underinvested parts of the economy.

Through our work on policy and regulatory reform, building institutional capacity and improving financial infrastructure, we aim to address the systemic challenges in financial markets inhibiting flows of climate finance and stymying inclusive economic growth.

Through our investment arm, FSD Africa Investments, we also deploy risk capital to spur investment in cutting-edge ideas with the potential to transform financial markets and drive flows of green finance.

# FSD Africa message house continued

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## Why do you focus on the financial sector?

The financial sector is a key enabler for social and economic development. Effective markets empower every green dollar invested in Africa to generate more economic growth, greater community impact and maximum returns for our planet.

These markets will attract private finance to amplify public funds while ensuring capital is directed to the areas where it can generate the greatest outcomes.

By helping to create a more efficient financial sector which is able to mobilise more private capital, particularly domestic private capital, this will lead to stronger economies better able to support spending on vital public services without relying on donor aid.

**PROOF POINTS:** Dhamana Solutions; InfraCredit; RSBF; BimaLab.

## What is unique about FSD Africa?

We are based in Africa and exclusively focused on Africa's financial sector

Unlike other DFIs a lot of our work is in market-building activities – policy & regulatory reform, capacity strengthening, building market infrastructure, knowledge sharing – because we are trying to create the right financial market conditions for investment.

We also invest but with the sole purpose of making financial markets work more effectively – investing in intermediaries, or funds, or structures like guarantees that will help capital to flow to where we want it to go.

FSD Africa takes on investments that are more innovative, complex and riskier than those by typical development finance institutions.

**PROOF POINTS:** Majority of board are African and female; 68 of 85 staff are involved market-building activity.

# FSD Africa message house continued

## How is FSD Africa helping address the climate emergency?

Approximately £80 million or 65% of our current portfolio is invested in green initiatives which drive climate and nature outcomes as well as addressing developmental needs. We aim to have grown that to at least 70% by 2026.

We also see a huge opportunity to grow the contribution of private finance to meeting Africa's climate targets and this is a key focus of our advocacy and market-building work.

According to research published by the Climate Policy Initiative and FSD Africa in 2022, the climate finance flowing into Africa was \$30bn a year, just 11% of the \$277bn required to fund Africa's combined NDCs and meet its 2030 climate targets. Of that just \$4bn or 14% came from the private sector, which is lower than any other region.

Our ambition is to grow the private sector's contribution to \$100bn a year by 2030.

**PROOF POINTS:** green bonds; CCR; Lagos; Cavex; Acorn; CPI report; APSF; PAFMA.

## What have you achieved?

In the first ten years of FSD Africa's existence, we directly and indirectly crowded in around £1.9 billion in long-term capital, availing finance for SMEs, affordable housing and sustainable energy projects.

Our work enabled development of innovative products, increasing access to financial services for close to 12 million people in Africa.

We also created/protected/ sustained over 35,700 jobs.

Between April 2021 and March 2023, FSD Africa has supported 12 transactions, 58% of which were financed in local currency.

During the same period our interventions mobilised and catalysed £820million to advance Africa's green growth and social development agenda.

We have also created/protected/ sustained over 37,000 jobs.

# FSD Africa message house continued

## About our work on nature

Nature is crucial to Africa's social and economic development. Up to 62% of its GDP is highly or moderately dependent on nature or natural systems.

But its natural resources are being degraded by overexploitation, overpopulation, land-use changes and climate change.

It is clear that concerted action by the financial sector is required to shift capital away from activities which harm nature towards those which protect and enhance it.

The risks of inaction are huge but so are the opportunities to create new sources of revenue, new businesses and more jobs.

FSD Africa's nature programme aims to support the financial sector's transition towards a nature-positive economy by creating a platform for pro-nature advocacy and collaboration, investing in innovative products and transactions, working to integrate nature into financial sector policy and regulation and building the market infrastructure to drive investment.

**PROOF POINTS:** ANCA, BIRA

## About our work on carbon

Carbon markets have huge potential as a mechanism to unlock the value in Africa's vast natural resources for instance through the sale of carbon offsets. But there are many challenges as such as pricing, integrity and access.

FSD Africa's carbon programme aims to make the markets work for Africa's future by:

- stimulating investment at the frontier to exploit carbon opportunities and develop early-stage technology
- driving innovation to reach dispersed carbon sources and enable the efficient and equitable distribution of value including to communities
- providing support for regulatory changes to enable the markets to function properly.

**PROOF POINTS:** Cavex, BURN, West Africa Blue, Rabo Foundation's carbon finance platform to help smallholders

# FSD Africa message house continued

## About our work on innovative finance

FSD Africa's innovative finance programme aims to increase the private sector's contribution to Africa's climate finance from its current level of \$4bn a year (just 14% of the total which is itself a fraction of what is needed) to \$100bn a year by 2030.

By driving green regulatory reform we aim to build the foundations of a conducive green investment environment in Africa. We also aim to accelerate Africa's green finance markets by catalysing innovative, investable green transactions alongside supporting regulatory reforms.

**PROOF POINTS:** Green and gender bonds programmes, APSN, KCEF; ACRE, Nyala, EABX/ESX



# FSDAi message house

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## What is FSDAi?

FSD Africa Investments is an investor in Africa, but an unusual one because we invest in the financial sector itself. And also, because we don't just measure the return on our investments purely in financial terms but on how many good quality jobs have been created, how many people have access to basic service and how they are helping deal with the impacts of climate change. We believe that creating a more efficient financial sector is crucial to all those things.

## How is FSDAi helping Africa's green future?

We believe that finance can help unlock Africa's huge green potential, in areas such as renewable energy and nature, and allow it to pursue a different kind of economic growth that is both good for people and good for the planet.

**PROOF POINT:** West Africa Blue.

## What makes FSDAi unique?

We use our capital to back innovation in the financial sector, such as new forms of digital finance or corporate bonds, so that finance is directed to the enterprises of the future. For example off-grid solar which is providing electricity to marginalized communities for the first time or clean cook-stoves which are both healthier and more environmentally friendly. This requires an element of risk-taking which most investors are unable to assume. So, we see our role as leading the way.

**PROOF POINTS:** Nithio; Cavex.



# FSDAi message house continued

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## How does FSDAi work?

We test novel financial instruments by investing in demonstration transactions, we accelerate by bridging the funding gap for companies in the growth phase and we mobilise other investors by taking much of the upfront risk of backing innovative transactions.

**PROOF POINTS:** InfraCredit; ALCBF.

## What has FSDAi achieved

Over the six years we have been in operation, we have invested £95m in 19 different financial service providers. In that time we have enabled 2.7m people, 40% of whom are women, to have access to finance enabling them to grow their businesses, and 5.8m others access to basic services such as energy and water.

## How will the new funds benefit ordinary people?

Africa is land of opportunity. It has a young population, vast natural resources, many entrepreneurs and lots of potential. But the problem is that there is insufficient access to finance, and without that entrepreneurs struggle to start and grow businesses, and families to pay for basic services such as electricity, water and health. So what we do is we invest in organisations that are providing new ways of financing for those entrepreneurs, business owners and to families.

**PROOF POINTS:** MSF; Nyala; Nithio; Spark.



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