

### Concept Note

#### London Climate Action Week (LCAW)

#### Event: Mobilising Africa's Institutional Capital for Sustainable Development

**Date:** Wednesday, 25<sup>th</sup> June 2025 (1400 hrs - 1600 hrs)

**Venue:** British International Investment Offices  
123 Victoria Street, London, SW1E 6DE, United Kingdom

### Event Overview

<b>Session Title</b>	<b>Mobilising Africa's Institutional Capital for Sustainable Development</b>
<b>LCAW Theme</b>	Financing Inclusive and Resilient Climate Transition
<b>Organisers</b>	FSD Africa British International Investments (BII)
<b>Target Audience</b>	<ul style="list-style-type: none"> <li>African institutional investors</li> <li>Global institutional investors, including The London Coalition on Sustainable Sovereign Debt</li> <li>Philanthropies, i.e. Gates Foundation, CIFF, Rockefeller Foundation, Quadrature Climate Foundation, etc.</li> <li>Development agencies/DFIs: BII, Proparco, Norad, US DFC, UNECA, EIB, etc</li> <li>FCDO London representatives</li> </ul>
<b>Session Type</b>	Invite-Only Roundtable Discussion
<b>Event Date</b>	Wednesday, 25 <sup>th</sup> June 2025; 2 pm to 4 pm
<b>Venue</b>	British International Investments (BII) London offices
<b>Background</b>	<p>Africa's infrastructure financing needs are significant, estimated at \$130-\$170 billion annually, coinciding with other development financing priorities occasioned by climate change and biodiversity loss. African governments are grappling with high debt levels and repayments, partly driven by foreign currency borrowing, leaving limited fiscal room for critical development spending.</p> <p>On the other hand, African institutional investors control over \$2.4 trillion in assets (expected to grow to \$4.6 trillion by 2040). This capital is conservatively invested, with little allocation to alternatives, infrastructure and climate-aligned investments. This private capital, mainly in local currency, is vital to bridge Africa's development financing gap, with international public capital and philanthropic capital playing a more catalytic role in mobilising it.</p> <p>This session will, therefore, explore innovative strategies to channel the growing assets of domestic institutional investors, especially pension funds and insurance companies, into long-term, sustainable investments. It will highlight financial instruments, investment structures and partnerships with the potential to catalyse these pools of capital for national sustainable development priorities.</p>
<b>Session Focus Areas</b>	<ul style="list-style-type: none"> <li>Highlight case studies of financing instruments and mechanisms for domestic capital market mobilisation, including blended finance vehicles, securitisation vehicles, thematic bonds, carbon and nature-linked instruments, and risk mitigation instruments such as credit enhancement facilities.</li> <li>Highlight the role of regional partnerships and advocacy platforms like the Pan-African Fund Managers' Association (PAFMA) and the Africa Pensions Supervisors Association (APSA) in deepening domestic markets.</li> <li>Examine how institutional investors make decisions and manage risk and how local capital markets can better align with their investment considerations, leveraging innovative structures to unlock long-term financing.</li> </ul>
<b>Expected Outcomes</b>	<ul style="list-style-type: none"> <li>Enhanced awareness of financial instruments, mechanisms and approaches with the potential to mobilise domestic capital for sustainable development priorities.</li> <li>Enhanced awareness of regional platforms such as PAFMA and APSA and their role in supporting domestic capital mobilisation.</li> <li>Enhanced awareness of the investment considerations and challenges of domestic and international institutional investors and opportunities to unlock more private sector investment in sustainable development priorities.</li> <li>Greater collaboration among domestic and international investors, DFIs and other development partners on domestic capital mobilisation in Africa.</li> </ul>

## Event Programme

Time	Duration	Agenda
14:00 - 14:15	15 mins	Arrival and registration
14:15 - 14:20	5 mins	<b>Welcome Remarks</b> <ul style="list-style-type: none"> <li>• <i>Jo Fry, Managing Director and Head of Intermediated Financial Services, BII</i></li> <li>• <i>Mark Napier, CEO, FSD Africa</i></li> </ul>
14:20 - 14:25	5 mins	<b>Opening Remarks</b> - <i>Louise Walker, Head, Private Sector &amp; Capital Markets, FCDO</i>
14:25 - 14:55	30 mins	<b>Session 1: Innovative Instruments and Alternative Investment Mechanisms for Domestic Capital Mobilisation</b>  <b>Ted-style presentations:</b> <ul style="list-style-type: none"> <li>• <i>Setting the Context: Dr Evans Osano, Chief Financial Markets Officer, FSD Africa, [10 mins]</i></li> <li>• <i>Deep dive: Securitisation Solutions for Capital Markets Deepening - Leyla Charles, Investment Manager Intermediated Financial Services, BII [10 mins]</i></li> <li>• <i>Deep dive: Local Currency Solution for MDB Portfolio Transfer - Chris Kandie, Cygnum Capital [10 mins]</i></li> </ul>
14:55 - 15:55	60 mins	<b>Session 2: Facilitated Dialogue on Domestic Capital Mobilisation</b> <ul style="list-style-type: none"> <li>• Constraints to domestic capital mobilisation in Africa, for key priorities including climate adaptation and biodiversity loss, and for key sectors including energy, agriculture, urban, transport, water and sanitation.</li> <li>• The opportunity to leverage capital markets, carbon markets and nature-based solutions.</li> <li>• Collaborative models to unlock domestic institutional capital for sustainable development</li> </ul> <b>Moderators:</b> <ul style="list-style-type: none"> <li>• <i>Jeroen Huisman, Director Development Finance, Systemiq</i></li> <li>• <i>Mark Napier, CEO, FSD Africa</i></li> </ul> <b>Proposed Lead Discussants:</b> <ul style="list-style-type: none"> <li>• <i>Fred Mburu, Chief Executive Officer, Fund Managers' Association Kenya</i></li> <li>• <i>Michael Hugman, Global Director Climate, Children's Investment Fund Foundation</i></li> <li>• <i>..... and four more high-profile speakers to be confirmed, drawn from global philanthropies, institutional investors, and beyond.</i></li> </ul>
15:55 - 16:00	5 mins	<b>Closing remarks</b> <ul style="list-style-type: none"> <li>• <i>Dr Evans Osano, Chief Financial Markets Officer, FSD Africa</i></li> </ul>

### Annexe 1: Select Case Studies for Discussion

- **Listed SME Funds** - These publicly traded investment vehicles pool capital from multiple investors to invest in small and medium-sized enterprises (SMEs) through an exchange. These funds provide SMEs with an alternative source of financing, offering investors diversified exposure to the growth potential of SMEs. They often employ alternative blended capital structures—equity, debt, or mezzanine—designed to mobilise capital for high-impact niche areas such as SMEs and climate-related investments, helping to de-risk and finance somewhat riskier sectors. FSD Africa is facilitating the development of listed SME funds in Kenya, Rwanda, Ghana, and Tanzania.
- **Securitisation** refers to pooling illiquid financial assets, such as loans or receivables, and transforming them into tradeable securities easily bought and sold in the capital markets. This instrument enhances liquidity for the asset originator, creates more balance sheet headroom, and transfers certain risks (such as credit or prepayment risk) to investors. Ultimately, securitisation broadens funding sources and diversifies investment opportunities for the financial system. BII and FSD Africa are working on a study to assess the potential of securitisation in Africa.
- **Local Currency Solution for MDB Portfolio Transfer** - FSD Africa has been working on a "Local Currency Solution for Multilateral Development Bank Portfolio Transfer" in response to the recommendations of a G20 task force on the capital adequacy frameworks for multilateral development banks. The initiative aims to transfer MDBs' portfolios to local institutional investors in Africa. This initiative allows MDBs to free up capital, expand the scope and size of investments, and accelerate project pipeline creation. At the same time, transferring MDB-originated assets to local institutional investors strengthens local capital markets and improves affordability for users and off-takers who rely on local currency incomes.
- **Pan African Fund Managers Association (PAFMA)** is a membership association that brings together fund managers across Africa to discuss matters of mutual concern and interest to promote a solutions-based approach within the context of Africa's regional operating environment and priorities. The PAFMA serves as a platform to deepen collaborations, promote peer learning and advocate for a one-Africa voice for the industry among stakeholders and global peers on matters of industry growth.
- **The Africa Pension Supervisors Association (APSA)** was formed in September 2019 as a membership-based organisation that brings together pension regulators and supervisors across Africa to discuss issues of common interest. APSA is governed by an Executive Committee elected from member institutions, with a Secretariat currently hosted by Kenya's Retirement Benefits Authority (RBA). APSA's primary goal is to provide a platform for collaboration, cooperation, and exchange of information and ideas, enabling members to supervise better, regulate, and grow the pension sector across the continent.