

 Early Warning System

FMO-67352

Financial Sector Deepening Africa



Quick Facts

Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	U
Borrower	Financial Sector Deepening Africa
Sectors	Industry and Trade, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	\$ 2.31 million



Project Description

According to bank provided information, the objective of the Manager Finance Facility (MFF) is to strengthen Africa's emerging ecosystem of Alternative Local Capital Providers (ALCPs) by providing catalytic, returnable capital and targeted technical assistance that enable these fund managers to test and validate financing models, strengthen institutional capacity, build track records, and progress towards attracting commercial and institutional investment. The facility seeks to address the pre-commercial financing gap faced by African-led fund managers and financing intermediaries that support underserved small and growing businesses, particularly in frontier and Tier 2 markets.

From an IYBA-MCP Market Creation perspective, the facility aims to create a stronger pipeline of investable local capital providers by financing the financiers. By helping ALCPs demonstrate viable financing approaches such as revenue-based finance, venture debt, blended finance, flexible equity, and local currency solutions, the MFF is expected to increase the availability of more appropriate capital for young and growing businesses and crowd in follow-on investment from commercial investors.

The facility aligns strongly with both IYBA-MCP and FMO's Market Creation objectives by addressing a critical gap in the development of African-led fund managers. Through catalytic capital and technical assistance, it strengthens the pipeline of investable local capital providers, enabling them to build track records, attract follow-on investment, and expand access to appropriate financing for underserved SMEs and young businesses. By financing the financiers, the facility tackles a systemic constraint in the market and supports the long-term development of more inclusive and sustainable financial ecosystems.



Investment Description

- Netherlands Development Finance Company (FMO)



Private Actors Description

Financial Sector Deepening (FSD) Africa is a Kenya-incorporated development agency funded by the UK Foreign, Commonwealth & Development Office (FCDO). FSD Africa will manage and implement the Manager Finance Facility through its Venture Finance Platform and Early-Stage Finance pillar, supported by FSD Africa Investments (FSDAi) for transaction structuring and portfolio oversight.



Contact Information

Contact information not provided at the time of disclosure

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>