



## **FSD Africa partnership aims to safeguard and leverage investment for small and medium-sized African businesses through the Africa Private Equity and Private Debt Programme**

*The four co-operation agreements signed between FSD Africa and the African Private Equity and Venture Capital Association (AVCA) and East Africa Private Equity and Venture Capital Association (EAVCA) and Southern Africa Venture Capital and Private Equity Association (SAVCA) and the Private Equity and Venture Capital Association Nigeria (PEVCA) will help to ensure local expertise and tailored delivery for regional and country mandates.*

**NAIROBI, 24 February, 2021:** FSD Africa today announces the signing of co-operation agreements with AVCA, EAVCA, SAVCA and PEVCA to coincide with the launch of the Africa Private Equity and Private Debt Programme. The programme is a new initiative to support the development of private capital markets in Africa as a complement to public capital markets. It will work to improve the long-term financing options available for businesses across key sectors in Africa's economy, including healthcare, climate and agriculture.

Access to long-term finance has continued to be a challenge for small and medium-sized businesses across the continent. The economic impact of COVID-19 has only exacerbated the strain on Africa's formal public markets aiming to provide long-term finance options to businesses desperately in need of capital. This alongside increased risk averseness by lending institutions has left few options for SMEs to access long term financing, in many cases resulting in business closures and job losses.

Through the Africa Private Equity and Private Debt Programme FSD Africa aims to leverage various tools including grants, technical assistance, advocacy and investment capital to support the growth of private capital markets. The partnership aims to support growth in a way that is uniquely African in character, tailored to the local context and delivering long term financing options for SMEs.

FSD Africa, AVCA, EAVCA, SAVCA and PEVCA will work with policymakers, regulators, industry associations, institutional investors and other market operators to encourage and advocate for changes that promote increased flow of institutional capital into private capital markets. Through the programme FSD Africa and its partners will seek to create a knowledge sharing environment by working with regulators to put in place regulatory provisions and/or incentives, build capacity and understanding of relevant market stakeholders.

### **Mark Napier, CEO at FSD Africa, said:**

“Supporting the development of private equity and private debt markets in Africa will provide a boost to small and medium-sized businesses and local economies. We believe this will be greatly welcomed in the short term, ensuring that more jobs are saved, but it will also provide long-term benefits and improve access to capital. Globally, there has been a secular shift towards private capital markets and it is appropriate that, as part of our response to COVID-19, we pay enough attention to the development of private markets, allowing for more local capital to be channelled into essential sectors including health, agriculture and climate.”

### **Evans Osano, Director, Capital Markets at FSD Africa, said:**

“By encouraging long-term investment capital to Africa's private sector, real impact can be delivered, including creating and sustaining jobs, and increasing access to services like healthcare. We urge local investors, regulators, and other relevant individuals to come forward to be a part of this programme and look forward to working with them on this exciting next step.



**Ify Ossi, Executive Secretary, PEVCA, said:**

With the unprecedented economic shocks brought on by the pandemic, the case for mobilizing private capital in our clime has become more evident. In the face of the huge funding gap and growth lag facing sectors across Nigeria, long-term access to local financing coupled with structural adaptations, were necessary, are key to our economic growth and sustainability. Interventions that address industry gaps and challenges must be both private sector and policy driven guided by suitable strategic partnerships and alliances, among other factors. We are excited about PEVCA's partnership with FSD Africa, particularly its pan African approach towards capital market development, and look forward to jointly facilitating solutions for our industry.

**Tanya van Lill, CEO, SAVCA, said:**

“SAVCA is looking forward to partner with FSD Africa on this initiative to support the development of private capital markets in Africa. This Programme has the potential to unlock much needed catalytic capital for businesses and industries that have the potential to not only create and preserve jobs, but also contribute to much needed economic growth given the impact of COVID-19.”

**Eva Warigia, Executive Director, EAVCA, said:**

“For the EAVCA, FSD Africa is a natural partner given their in-depth knowledge of local markets. We see this as a strategic partnership that will advance EAVCA's commitment to increase local participation in financing private business- both mature and early stage- in East Africa by providing alternative sources of capital”.

**Abi Mustapha-Maduakor, CEO, AVCA, said”**

“In addition to facilitating greater inflow of private investment to the continent, advocacy is at the centre of our work at AVCA. This collaboration with FSD Africa is timely, and I look forward to working with our colleagues at EAVCA, SAVCA and PEVCA to support investors, businesses and governments in their efforts to strengthen Africa's economy over the coming years.”

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**Notes to Editors:**

**For more information contact:**

**Lara Cornaro**

Head of Communications

FSD Africa

[Lara@fsdafrica.org](mailto:Lara@fsdafrica.org)

+254 700 176 846

**About FSD Africa**

FSD Africa is a specialist development agency working to reduce poverty by strengthening financial markets across sub-Saharan Africa. Based in Nairobi, FSD Africa's team of financial sector experts work alongside governments, business leaders, regulators and policy makers to design and build ambitious programmes that make financial markets work better for everyone. Established in 2012, FSD Africa is incorporated as a non-profit company limited by guarantee in Kenya. It is funded by UK aid from the UK government.

