



adfi

Africa Digital Financial
Inclusion Facility

A builder of partnerships

An advocate
for inclusive
digital
technology

A uniquely African digital
financial inclusion fund



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A uniquely African digital
financial inclusion fund

What is ADFI?



An innovative digital financial inclusion facility for Africa driving joint investment in digital infrastructure, digital products and innovation and policy and regulation to include more than 400 million Africans – 60% of whom are women - in the digital economy for the first time.

A partnership builder, promoting collaboration and forging regional and global partnerships among key development and digital financial services actors.

An advocate for inclusive digital technology, elevating ADFI's call to action in light of the increased focus on digitalisation due to COVID-19, and its economic impact on marginalised Africans.



A UNIQUE MANDATE

Founded in 2019, the \$400 million Africa Digital Financial Inclusion Facility is on a mission to build modern financial systems that include and empower all Africans, especially women.

ADFI brings together the African Development Bank, The Bill and Melinda Gates Foundation,

the l'Agence française de développement, the Government of Luxembourg's Ministry of Finance and the Ministry of Finance of the Government of France around a shared vision to invest in digital financial systems across Africa that are inclusive and sustainable.

 \$ 63 million

DONOR CONTRIBUTION

At the core of every investment we make at ADFI is our impact mission. Financial inclusion gives low- and middle-income African communities the opportunity to save and invest, leading to greater economic and social empowerment and an improved ability to weather economic shocks.

ADFI is a blended finance facility composed of a multi-donor Special Fund with a USD 100 million envelope to be resourced with donor grant money and debt funding of up to USD 300 million from the African Development Bank.

CURRENT PARTNERS AND DONORS



BILL & MELINDA
GATES foundation





Africa Digital Financial
Inclusion Facility

Why now?

With the COVID-19 pandemic of 2020, the need for digital technology to mitigate health risks, keep economies afloat and financially include vulnerable people, has never been more apparent and critical.



ECONOMIC RESILIENCE

Cashless economies, e-commerce and digital health and government infrastructure make it easier for people and SMEs to prepare for and navigate health and economic crisis and help lower-income people manage financial emergencies such as job loss or crop failure. They also help boost the resilience of African economies in the face of economic instability. With the COVID-19 pandemic of 2020, the need for digital technology to mitigate health risks, keep economies afloat and financially include vulnerable people, has never been more apparent and critical.



ECONOMIC AND SOCIAL OPPORTUNITY

Digital financial services such as bank accounts and digital payments, help people escape poverty by **facilitating investment** in their **health** and **education** and **enable savings, business development** and **retail activity**. They also help vulnerable people collect money from their families and communities more easily when times are tough.

Digital payments lower the cost of receiving payments by cutting transport and waiting times, **increase access to government services** and help governments reduce corruption and improve efficiency.

Digital innovation makes it possible for **women to conduct more sophisticated transactions and manage their financial tasks** and empowers women and marginalized people to become **active decision-makers**, with more autonomy, time and bargaining power.

In spite of a doubling of the share of sub-Saharan African adults with mobile money accounts since 2014, and a surge in innovative digital tools and services across Africa, the benefits of the digital age are not being shared equally.



How do we achieve results?

Four interrelated pillars will help advance digital financial inclusion in Africa, with gender inclusion cutting across each pillar.



DIGITAL INFRASTRUCTURE

We invest in the scale-up of inclusive digital payment infrastructure. Infrastructure is a crucial precondition for expanding DFS across the continent and its impact potential is considerable – an estimated 215 million more Africans could have access to digital financial services.



POLICY AND REGULATION

We invest in financial regulation and policy that keeps in pace with digital infrastructure improvements and technology innovations across Africa. Changes in regulation can unlock DFS growth by preventing monopolization of services and high user transaction costs, increasing interoperability between payment systems, and ensuring complaint redress systems are in place.



DIGITAL PRODUCTS AND INNOVATION

We invest in pro-poor digital products and innovations such as fintechs and government and sectoral digitisation initiatives that demonstrate a positive impact in the livelihoods of women, low- and middle-income users and vulnerable communities.



CAPACITY BUILDING

We invest in the elevation of African DFS stakeholders' capacity to advance inclusive growth across the continent. Gaining and translating knowledge on the economic and social benefits of digital financial inclusion of women and vulnerable people is critical for meaningful impact on the DFS ecosystem.



ADFI FOCUS AREAS

ADFI makes catalytic investments across a number of focus areas aimed at scaling innovative digital financial services and increasing integration throughout the continent.

GENDER INCLUSIVE

ADFI mainstreams gender across its 4 Pillars - 60% of ADFI projects undertaken are gender-intentional and 15% are gender-transformative

60%

DIGITAL INFRASTRUCTURE

Payment systems upgrade/
development interoperability

Market infrastructure e.g. credit
ref. bureaus, e-commerce
platforms

Digital Identity

Digital registries in key sectors
e.g. agriculture

10%

POLICY AND REGULATION

Diagnosis e.g. research,
feasibility studies

Strategy development

Regulatory reform

Regulatory harmonisation

20%

**DIGITAL PRODUCTS
AND INNOVATION**

Fintech support

Digitisation of Government
payments

Digital credit i.e. micro retail,
MSMEs and SMEs

Digital micro insurance, savings/
pension

Digitisation of key value chains,
e.g. agriculture

10%

CAPACITY BUILDING

Peer learning

In-house and online training

Site visits

Customer awareness creation
programs



GENDER INCLUSIVE

ADFI mainstreams gender across its four pillars. We invest in initiatives that are designed to help reduce Africa's gender gap in access to financial services. Women are major contributors to urban and rural economies, yet they have significantly less access than men to services, markets and assets. Digital financial inclusion helps women achieve greater equality with men and more control over their lives and assets. 60% of ADFI investments are designed to reduce gender gaps in access to resources and 15% of ADFI investments are designed to transform gender power relations and actively seek to change gender norms and imbalances of power.

ADFI and the SDGs

ADFI's projects will directly contribute to **7 UN Sustainable Development Goals**.





ADFI's catalytic investments have the potential to expand access to DFS to more than 332 million adults across the continent



01

Invest in digital initiatives that help build african resilience to risks and instability

02

Help make digital financial services in Africa valuable, affordable and accessible to women and vulnerable people

03

Improve lower-income people's ability to invest in their businesses, health and education, save and access markets, payments, information and wages more readily



Let's work
together
to upscale
innovation
that reaches
each and
every
African.



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