Africa Digital Financial Inclusion Facility (ADFI)
March 2023
ADFI has a strong mandate to

Invest and advocate for modern, inclusive digital financial ecosystems across Africa

Leverage digital financial solutions to promote greater gender equality and inclusive economic empowerment

Contribute to economic resilience and sustainable growth as part of the 4th Industrial Revolution
**ADFI’S MANDATE** - INVESTING IN AFRICAN DIGITAL FINANCIAL INCLUSION

**ADFI’S MISSION**

Reach **332 million Africans**, of whom **60% are women**, are excluded from the formal economy despite having access to a mobile phone.

**OPPORTUNITY TO BRIDGE INCLUSION GAPS IN ACCESS & USAGE OF FINANCIAL SERVICES**

- **51%** of the adult population in Africa have **no access to a formal account**, be it mobile money or a traditional bank account.

- **12%** gender gap in account ownership remains high, twice as much as the developing economies’ average and three times higher than the global average of 4%.

Vital Wave 2016, Global Findex 2021

ADFI stands for Africa Digital Financial Inclusion Facility.
ADFI’S MANDATE - INVESTING IN AFRICAN DIGITAL FINANCIAL INCLUSION

The catalytic impact of ADFI’s work contributes to

7 UN Sustainable Development Goals.

G7 Partnership for Women’s Digital Financial Inclusion in Africa

ADFI contributes as an implementing partner to build more inclusive, sustainable, and responsible digital financial systems, ensuring that 400 million more African adults are financially included, nearly 60% of whom are women.
**LAUNCH OF ADFI MULTI-DONOR PARTNERSHIP**

Approval of instrument to set up ADFI

- Bill & Melinda Gates Foundation
- Agence Française de Développement
- Government of Luxembourg’s Ministry of Finance

Multi-donor partnership

- Launch of ADFI
- Call for Proposals
- Recruitment of ADFI team

New donor partnership

- French Treasury, Ministry for the Economy and Finance joins ADFI
- Women Entrepreneurs Finance Initiative (We-Fi) co-financing WSME programme

2018

- May
- March

2019

- June
- July

2020

- June

2022

- April
- December
ADFI works to address the systemic barriers to digital financial solutions growth, uptake and use, especially by women and micro and small businesses, by making strategic and catalytic investments in the digital financial services ecosystem throughout Africa.

<table>
<thead>
<tr>
<th>ADFI call for proposals</th>
<th>338 proposals received</th>
<th>74 viable projects</th>
<th>7 projects cleared for 1st round of investments + in implementation</th>
<th>3 projects cleared</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80% gender intentional or transformative</td>
<td>Cumulative value: Grants: USD 320M Loans: USD 98M</td>
<td>Grants: USD 7.6M</td>
<td>Grants: USD 2.15M</td>
</tr>
</tbody>
</table>

**Timeline:**
- **July 2019**
- **October 2021**
- **December 2022**
# ADFI’s Work - Intervention Pillars

## Digital Infrastructure
- Payment systems upgrade /development/ interoperability

## Policy and Regulation
- Diagnostics e.g. research, feasibility studies

## Digital Products and Innovation
- Fintech support

## Capacity Building
- Peer learning

<table>
<thead>
<tr>
<th>Market infrastructure - agent/merchant networks</th>
<th>Digital strategy development</th>
<th>Digitalisation of government payments</th>
<th>In-house and online training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital identity</td>
<td>Regulatory reform</td>
<td>Digital credit i.e. micro retail, MSMEs &amp; digital micro insurance, savings / pension</td>
<td>Site visits</td>
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<tr>
<td>Cybersecurity</td>
<td>Regulatory harmonisation</td>
<td>Digitalisation of key value chains, e.g. agriculture</td>
<td>Customer awareness creation programs</td>
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</table>

### Gender Inclusive

ADFJ is committed to its strategy to mainstream gender across our strategic pillars:
- **15%** gender transformative
- **60%** gender intentional
ADFI’s Gender Strategy – Bridging the Gender Gap in Financial Inclusion

ADFI mainstreams gender across all strategic pillars in alignment with AfDB Gender Strategy and the Gender Marker System

<table>
<thead>
<tr>
<th>Gender Objective (GEN I)</th>
<th>Gender Outcomes (GEN II)</th>
</tr>
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<tbody>
<tr>
<td>The <strong>principal objective</strong> of the project directly addresses gender equality (GE) and/or women’s empowerment (WE).</td>
<td><strong>GE/WE is one of the outcomes</strong> of the project, but not the principal one.</td>
</tr>
</tbody>
</table>

15% gender transformative (aligned with GEN I) designed to transform gender power relations and actively seek to change gender norms

60% projects gender-intentional (aligned with GEN II) reducing the gender gap in access to digital financial solutions and resources
ADFI’S WORK – CURRENT APPROVED PROJECT PORTFOLIO

**PROMOTING GENDER-SENSITIVE DIGITAL FINANCIAL SERVICES, POLICIES AND REGULATIONS ACROSS ECOWAS**
15 ECOWAS countries | USD 0.52 million | WAMA
GENDER TRANSFORMATIVE – GEN I

**ENHANCING WOMEN’S ACCESS TO DFS IN NIGERIA THROUGH WOMEN AGENTS**
Nigeria | USD 0.5 million | MTN Nigeria
GENDER TRANSFORMATIVE – GEN I

**MICROFINANCE TO EMPOWER WOMEN & YOUTH**
Chad | USD 0.65 million | Gov. of Chad & MFI
GENDER TRANSFORMATIVE – GEN I

**ADDRESS CYBERCRIME ACROSS AFRICA**
East & West Africa | USD 2 million | ACRC
GENDER INTENTIONAL - GEN II

**TECHNICAL ASSISTANCE FOR THE ECOWAS SINGLE PAYMENTS AND SETTLEMENTS SYSTEM**
ECOWAS | USD 1 million | WAMA
GENDER INTENTIONAL - GEN II

**AFRICAN FINTECH HUB**
34 countries | USD 0.55 | AFN
GENDER INTENTIONAL - GEN II

**HCD RESEARCH INTO SMARTPHONE-ENABLED DFS SERVICES FOR WOMEN**
Kenya | USD 0.3 million | M-KOPA
GENDER TRANSFORMATIVE – GEN I

**EMPOWERING WOMEN SMALLHOLDER FARMERS THROUGH DIGITAL MICROINSURANCE**
Kenya, Nigeria & Zambia | USD 1 million | Pula
GENDER TRANSFORMATIVE – GEN I

**ENHANCE NATIONAL SWITCH IN ETHIOPIA**
Ethiopia | USD 2.3 million | EthSwitch
GENDER INTENTIONAL - GEN II

**ARTIFICAL INTELLIGENCE-ENABLED FINANCIAL COMPLAINTS MANAGEMENT FOR CENTRAL BANKS IN AFRICA**
Ghana, Rwanda & Zambia | USD 1.04 million | Sinitic/BFA + 3 central banks
GENDER INTENTIONAL - GEN II
**ADFI’S WORK** – PROGRAMME TO ACCELERATE ACCESS TO FINANCE FOR WSMES USING DATA & TECHNOLOGY – LAUNCH 2023

**COMPLEMENTS WORK OF THE AFFIRMATIVE FINANCE ACTION FOR WOMEN (AFAWA) TO IMPROVE ACCESS TO FINANCE FOR WSMES BY:**
Leveraging finance & data to drive the systemic changes needed to support WSMEs to build back better from the COVID-19 crisis

Harnessing the transformative power of digital technologies for WSMEs to build back better from the COVID-19 crisis

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**Co-funding programme with Women’s Entrepreneurs Finance Initiative (We-Fi)**
We-Fi: USD 15 million | ADFI: USD 2.5 million | Unlock USD 122.5 million

Egypt, Cameroon, Kenya, Mozambique, Nigeria

**GENDER TRANSFORMATIVE**

**Programmatic components**

**Technical assistance**
Partnership building with focus on gender sensitisation
HCD research, design & prototype

**Capacity Building**
Training, coaching and technical assistance to key stakeholders for rapid scaling up and sustainability - 11,359 WSMEs, financial service providers, government and regulatory bodies

**Pilot & scaling**
Direct funding for 700 WSMEs & facilitation of access for 7300 additional WSMEs

**Programme management**
Supervision & MLE
Knowledge & learning management
SUSTAINABLE RESPONSE TO PERSISTENT & EMERGING CHALLENGES & OPPORTUNITIES

Reduce gender inequality
> investigate and bridge the financial inclusion gender gap through gender-centric initiatives to improve livelihoods and economic activity
> advocate for gender mainstreaming in policy-making, product development

Strengthen MSMEs
> support digital development & entrepreneurship through digital government payments, cross-border payments and channels to new markets

Improve digital financial access
> support interoperable payment systems & cross-border remittances
> deepen and expand agent & merchant acceptance networks

Improve youth inclusion
> develop appropriate digital financial solutions that meet their needs for entrepreneurship and job creation

Build agricultural resilience
> develop digital financial tools for farmers to mitigate risks of climate-caused crop destruction and support improved value chains through access to financial services, knowledge and data

Digital infrastructure
Policy & regulation
Digital products & innovation

Promote gender-responsive access and usage of digital financial solutions to drive financial inclusion among the most vulnerable
**ADFI GOVERNANCE**

**Dedicated coordination team**
managed and coordinated by the Bank and resourced with six consultants

**Technical Review Committee**
comprising senior representatives from relevant departments across the African Development Bank (AfDB)

**ADFI Governing Council**
with representation from the AfDB and the trust fund partners to provide strategic oversight

**External Monitoring, Learning and Evaluation firm**
to supply services at the global and sub-grantee level
CURRENT PARTNERS

African Development Bank

Agence Française de Développement

Bill & Melinda Gates Foundation

Government of the Grand Duchy of Luxembourg – Ministry of Finance

Government of France – Ministry for the Economy and Finance

Women Entrepreneurs Finance Initiative, housed at the World Bank
ADFI focus person: Sheila Okiro
Chief Investment Officer PIFD1
ADFI coordinator
s.okiro@afdb.org

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THANK YOU