

# African Development Bank

## **BUSINESS OPPORTUNITIES SEMINAR**



## Doing Business with the African Development Bank *Part 2*

*Nairobi,* **Kenya**

**October 02 - 04, 2017**

**Crowne Plaza Hotel**



**AfDB BOS**



AFRICAN DEVELOPMENT BANK GROUP

# KEY CHALLENGES TO FINANCIAL SECTOR DEVELOPMENT

## Challenges

**Governance gaps**



**Limited access to financial services and high informality**



**Evolving banking and financial institutions**



**Small, fragmented capital markets**



## Bank Agenda - Possible Solution

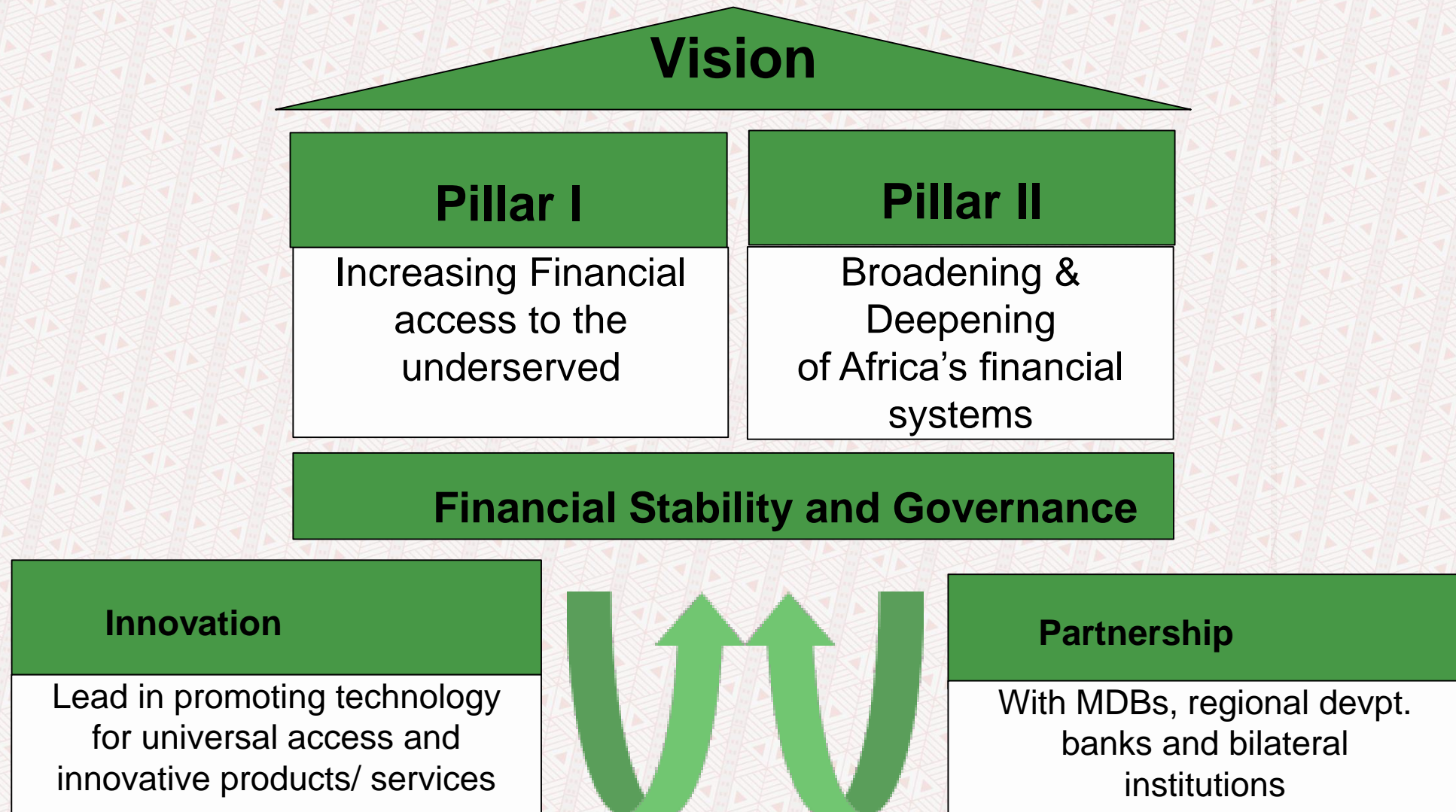
- Harmonize of regulatory requirements
- Strengthen regulatory & supervisory capacity
- Create regional financial infrastructure & ecosystem

- Financial Inclusion initiatives

- Strengthening of financial institutions
- Develop new financial products and services

- Bond and equity markets with high depth/liquidity
- More Institutional investors & Diversified capital market products/ services

# BANK'S FINANCIAL DEVELOPMENT STRATEGY

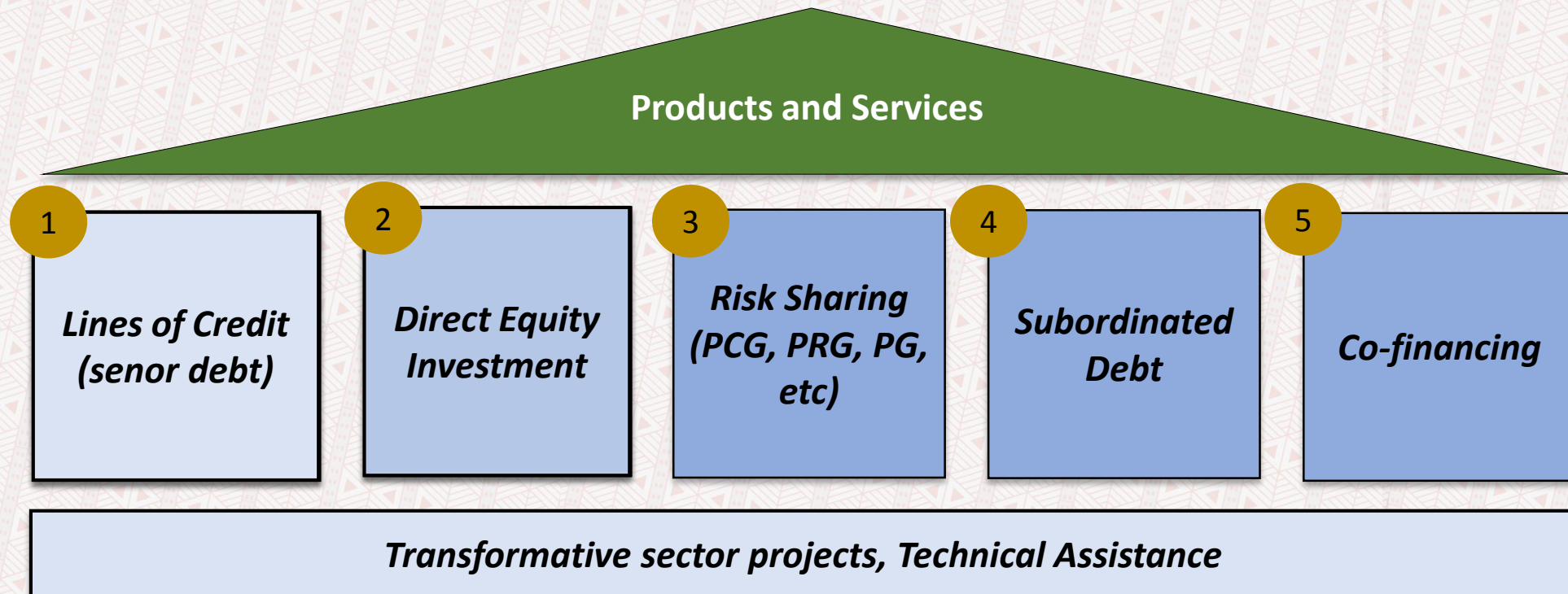


# FINANCIAL SECTOR STRATEGY – OVERVIEW

- 1. Increase access to the underserved and Poor** - Universal access to financial services for individuals and MSMEs esp. to women and youth
- 2. Accelerate deepening of banks and NBFIs** - Focus on high potential growth-oriented SMEs [SME financing gap estimated at USD 140-170bn could theoretically be closed in 5-7 years].
- 3. Mobilize finance for transformational sectors** via Africa's largest commercial banks can expand retail banking operations and lending to fast-growing SME's, transformative sectors such as infrastructure and agriculture
- 4. Deepen Domestic Capital Markets to Mobilize Long-term Capital**
  - The weakest link in Africa's financial sector
  - Savings in pension funds/ insurance companies/ asset managers vs tenor mismatch in banking systems
- 5. Financial System Governance** – stakeholders' dialogue for transparency and shared commitment

# FINANCIAL INTERVENTIONS

- Products and Initiatives designed to complement efforts of stakeholders e.g. peer DFIs, MDBs, etc
- Help ease financial constraints facing SMEs, manufacturers, infrastructure, agriculture, etc



# KEY GUIDING PRINCIPLES – DEAL SELECTION CRITERIA

