



**Making Finance
Work for Africa**



ANNUAL REPORT 2022





CONTENTS

Message from the Chair	5
About MFW4A	6
Vision and mission	6
Our funding partners	7
IMPACT 2022	8
Advocacy, Knowledge Management, Communications & Branding	9
Highlights in numbers	10
The MFW4A Webinar Series	11
Four Pillars of Engagement	13
Inclusive & Alternative Finance	14
Banking & Sustainable Finance	16
Trade Finance	17
Long-term Finance	18
Looking ahead	20

FOREWORD

Message from the Chair



WAMBUI CHEGE

Chair of the MFW4A Supervisory Committee

It is my pleasure to present the 2022 Annual Report of the Making Finance Work for Africa Partnership (MFW4A) on behalf the Supervisory Board.

I am indeed honoured to be part of this important and dynamic programme.

2022 was an important year for our partnership, falling in the middle of the 2020-2023 strategy, which has focused on adapting to the changes in the fast-moving landscape of the African financial sector and continuing to build on the partnership's strengths.

While there have been extraordinary developments in the finance sector in Africa, much still needs to be done. Less than 20 percent of all African households hold a bank

account and an even smaller number have an insurance policy. A significantly higher percentage of African households are excluded from formal financial services than in other regions of the world.

Marking the end of the pandemic, 2022 saw many things slowly going back to normal. Yet enormous difficulties persist. The pandemic exposed acute macroeconomic vulnerabilities across Africa, with rising sovereign debt levels heightening the likelihood of far-reaching debt sustainability issues. The crisis is also expected to lead to a sharp rise in non-performing loans (NPLs) for the banking sector, with the main impact being felt by micro, small and medium-sized enterprises (MSMEs) and poorer households. At the same time, reduction in remittances, the slowdown in foreign direct

“.....This annual report is a record of these achievements and key development. We are happy to report the appointment of Ms Marina Finken as MFW4A’s new Coordinator. Ms Finken, arrived in November 2022 to a warm welcome. One of her first engagements was to publicize the membership opportunities to banks and finance institutions on the continent.”

investment (FDI) and declining private capital flows tightened external constraints, leaving countries with daunting challenges. With its immediate and far-reaching impact not only on people’s health, but also their personal and working lives in Africa and around the world, the onset of the pandemic forced institutions to respond to multiple, unprecedented shocks.

MFW4A’s Four Pillars of Engagement continue to be focused on these and other challenges, working with our partners on cutting-edge research and event and webinar offerings to shine the spotlight on all the opportunities and difficulties that are emerging in the beginning of the post-Covid era.

MFW4A has shown its characteristic agility and resilience in the face of the challenges over

the past few years. This Annual Report is a record of these achievements.

A significant development was the appointment of Marina Finken as the permanent coordinator of MFW4A. Marina took up her post at the beginning of November, and I would like to welcome her on behalf the Partnership. I am sure that she will bring enormous value to the Partnership.

I would like to extend my gratitude to MFW4A’s funding partners for their ongoing commitment. My thanks also go to all our stakeholders for being part of our vision, and your contributions to strengthening our partnership.

WAMBUI CHEGE

Chair of the MFW4A Supervisory Committee

ABOUT MFW4A



Vision

To develop deeper, more efficient and stable African financial systems that are capable of driving inclusive and sustained growth and resilient economies.

Mission

To make the financial sector work in response to Africa's most pressing challenges, including poverty, gender inequality, climate change and youth unemployment.

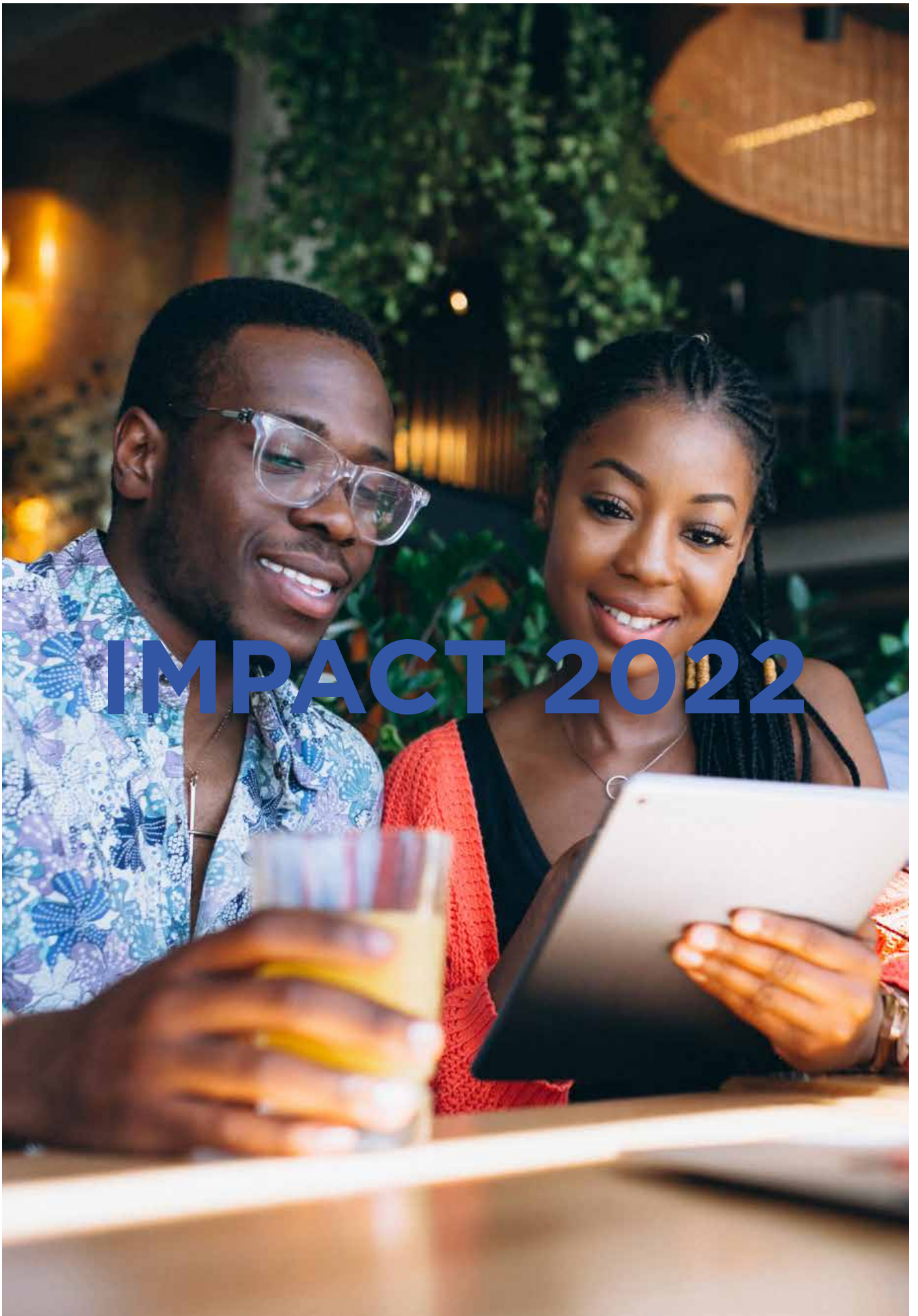
As an organization, MFW4A is a unique member-based platform supporting the development of African financial sectors through advocacy, knowledge sharing and cooperation. It serves as both a market facilitator and knowledge repository for the African financial sector.

- **As a market facilitator**, we provide an independent and impartial African voice that convenes governments, the private sector and the donor community in dialogue to exchange ideas in an open and interactive environment. We are a hub of debate and dialogue, peer learning and capacity building, and advocacy on a wide range of financial sector development issues. And we host our annual flagship event, the MFW4A African Financial Sector Summit.
- **As a knowledge repository**, we provide access to a large and diverse database of African financial sector resources and produce action-oriented research with the goal of helping the financial sector develop solutions that are more suited to meet the needs of underserved and excluded markets, including women, youth, rural households and MSMES.

Our funding partners

“ Building collaborative partnerships with organizations with which there are synergies and common goals is one of our core values... ”





IMPACT 2022

ADVOCACY, KNOWLEDGE MANAGEMENT, COMMUNICATIONS & BRANDING

MF4WA has established a strong brand identity as a leading knowledge platform and an independent voice on African financial sector development. Our products and tools—particularly our website (www.mfw4a.org), our bilingual monthly newsletters, our members-only weekly press digests, the #MF4Awebinarseries, and the Africa Finance Forum (AFF) Blog Series—have stimulated discussion both on the continent and abroad and helped to heighten awareness of financial sector development (FSD) issues in Africa. Since the pandemic, our webinar series has become extremely popular, and is an established flagship offering.

The dynamic Secretariat continues to build on its large network of professionals and researchers to disseminate valuable knowledge products, and to attract and draw on global expertise. Its cross-cutting work makes sure that relevant issues emerging in

each of the pillars are brought into the public sphere.

- The Secretariat continued to organize the webinar series, hosting 11 public webinars with an average number of 192 participants.
- The MF4WA portal saw page views increasing by 12%.
- Mailing list subscriptions surpassed 12,000, with 13,008 subscribers as of December 31, 2022.
- MF4WA commissioned country financial sector profiles for eight countries (Lesotho, Namibia, Nigeria, Sierra Leone, DR Congo, Chad, Morocco, and Sudan).

Overall, it seems that the MF4WA brand is gaining traction in Africa and beyond.

Highlights in numbers



In-house research

8 country sector profiles commissioned

MFW4A Webinar Series

11 webinars
Average number of 192 participants per webinar



MFW4A press digests

25 MFW4A Press Digest

AFF Blogs

12



Research Collaborations institutes

2 | Georgetown University
Microsave Conasulting

Website services and communications

38,000 users
150,000 Page views
+35% increase from 2021



Subscribers

13,008

Social media

1,400+



The MFW4A Webinar Series

The webinars that MFW4A hosted fall into different categories, each of which is aligned with MFW4A's strategic objectives and programmes:

- Webinars held in partnership with the AfDB, EIB, IPC, Horus, and the IECD Consortium form part of the EIB's technical assistance programme to strengthen capacity in banks and MFIs. This webinar series aims to provide these institutions with tools for dealing with current challenges to make them more able to support the real economy. Issues include cybersecurity, climate risks, food security and harnessing new technologies such as blockchain.
- MFW4A co-hosted two webinars to launch flagship publications which have been jointly researched and produced by MFW4A and its partners: the EIB's flagship 'Finance in Africa' reports for 2021 and 2022 and the seminal report on African institutional investors' appetite for alternative assets in Africa (with the AfDB and IFC).
- Some webinars promote key initiatives we are working on with our partners, such as the MANSA customer due diligence platform (part of Afreximbank) and the Long-term finance initiative (with the AfDB and FSDA).

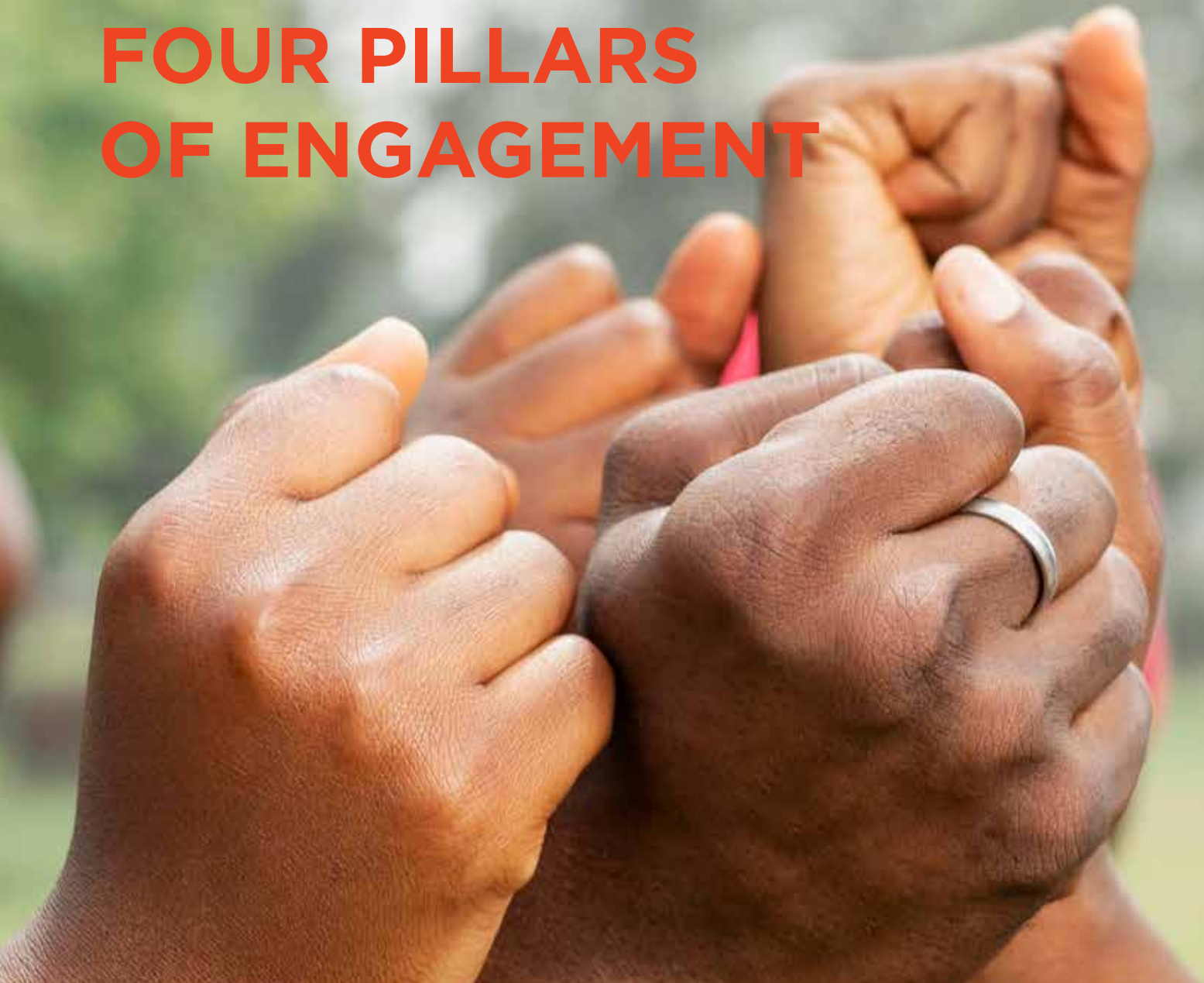


MFW4A hosted two webinars that were specially organized for niche professionals.

- A training webinar organized specifically for African central banks. The training covered topics such as local currency financing, hedging and market development. The webinar was organized in collaboration with TCX and AACB. (Held 31 March, with 58 participants.)
- The presentation of MFW4A's country profiles of the financial sector in Sudan and Kenya. The webinar was organized for relevant financial institutions in Sudan and Kenya, MFW4A donors, DFIs and regulators. (Held 5 July, with 89 participants.)

Date	Titles	Partners	Participants	Languages
10 March	Publication launch: the 2021 EIB 'Finance in Africa' Report: African financial sectors in a post pandemic world	EIB	150	English
24 March	How banks assess climate risks and integrate them into credit risk assessments	EIB / IPC / Horus / IECD Consortium	234	English and French
14 April	Overview of the private equity market in Africa: Bright Africa Report 2021	Riscura	160	English
4 May	Report launch: 'Trade Finance Demand and Supply in Africa: Evidence from Kenya and Tanzania'	AfDB	213	English
25 May	Food security in West and Central Africa and the need to reinforce value chain finance	EIB / IPC / Horus / IECD Consortium	128	English and French
16 June	Publication launch: 'Gauging Appetite of Domestic Institutional Investors for New Asset Classes'	AfDB IFC	164	English
20 July	The MANSA Africa customer due diligence platform: A passport to trade and investment	Afreximbank	160	French
20 October	How can blockchain transform African financial digitalization and benefit SMEs?	EIB / IPC / Horus / IECD Consortium	241	English and French
15 December	Publication launch: the 2022 EIB 'Finance in Africa' Report ('Navigating the financial landscape in turbulent times')	EIB	150	English
20 January	Cybersecurity challenges for financial institutions in the context of expanding digital financial services	EIB / IPC/ Horus/ IECD Consortium	280	English and French
24 February	Promoting Long-Term Finance (LTF) through local currency bond markets: Evidence from selected African countries	AfDB	233	English

FOUR PILLARS OF ENGAGEMENT



Inclusive and alternative finance

Scale up affordable, responsible and accessible financial services that meet the needs of the underserved, including women, youth and rural households, and MSMEs

Banking systems and sustainable finance

Foster the development of sound, vibrant and stable banking systems to finance sustainable economies

Trade finance

Scale up finance for domestic and intra-African trade and to support international trade with Africa

Long-term finance

Develop deep domestic financial markets that contribute to financing the real economy

Inclusive & Alternative Finance

Financial inclusion on the continent is still below the global average of 69%. MFW4A is committed to scaling up affordable, responsible and accessible financial services. Strategic focus in the year under review:

- Targeting more financial services to reach MSMEs, the youth, and women, accelerating the development and application of innovative digital technologies in supporting financial services industry
- Rising to the cybersecurity challenges and risks brought about by new technologies
- Continuing to grow strategic partnerships

Highlights

MSME Finance in Africa: building resilience in a turbulent world

<i>What?</i>	EIB West and Central Africa SME banking and Microfinance Academy 2022
<i>When?</i>	20 October
<i>Where?</i>	Virtual
<i>Key issues:</i>	<ul style="list-style-type: none">• MSME finance to strengthen resilience for food security and new supply chain• Climate action and resource management: the role of financial institutions• African Women Rising Initiative: promoting the empowerment of women in business• Harnessing the opportunities of the digital world: Fintech, cybersecurity, and artificial intelligence.

Partners



What next in Africa Fintech?

<i>What?</i>	Fintech Forum
<i>When?</i>	22–23 November
<i>Where?</i>	Virtual & Abidjan, Cote d'Ivoire
<i>Description</i>	Fintechs are a major driving force behind the transformation of the financial services industry in Africa. The Next Fintech Forum is the leading fintech event in Africa; a catalyst platform to develop the Africa fintech industry. MFW4A supported the Next Fintech Forum", which gathered key actors within the fintech ecosystem, including fintechs, banks, regulators, etc. This event highlighted the importance of the collaboration between these critical fintech stakeholders to foster the development of more inclusive financial systems in Africa.

Partners



Webinar for banks and microfinance institutions (MFIs)

<i>What?</i>	Webinar: 'Cybersecurity challenges for financial institutions in the context of expanding digital financial services'
<i>When?</i>	20 January
<i>Where?</i>	Virtual
<i>Description</i>	Within the context of the EIB TA Financial Sector Programme for West and Central Africa, MFW4A, together with the IPC, Horus Development Finance and the IECD Consortium co-hosted a webinar for banks and microfinance institutions (MFIs) around the theme 'Cybersecurity challenges for financial institutions in the context of expanding digital financial services'.

Partners



Other highlights

More strategic partnerships (e.g., ADFI, AfricaNenda) were developed for promoting the use of digital solutions to address financial inclusion in Africa.

Banking & Sustainable Finance

Banks dominate the financial sector and need to support the development of an inclusive, green, and climate-resilient economy. The banking sector is increasingly recognizing the importance of shifting to more sustainable practices to unlock climate and green-linked investment opportunities.

Strategic focus in the year under review:

- Policy innovation, working with central banks, financial regulators, and standard setters, who are incorporating sustainability factors into the rules governing financial systems.
- Forging strategic partnerships to promote the adoption of international best practices.
- Exploring ways to the SDGs into the financial system

Highlights

Collaboration on climate action and green finance

<i>What?</i>	The African Financial Alliance on Climate Change (AFAC), at COP27
<i>When?</i>	11 November
<i>Where?</i>	Sharm El Sheikh, Egypt
<i>Description</i>	The African Development Bank, the Global Center on Adaptation and McKinsey met to prepare for the formal launch of AFAC. AFAC will foster climate action and green finance by convening the finance sector, promoting knowledge sharing and building the capacity of financial institutions and regulators.

Partners



COP27
SHARM EL-SHEIKH
EGYPT 2022

McKinsey
& Company



AFAC
African Financial Alliance on Climate Change



Other highlights

The Association of African Central Banks (AACB) and the Banque Centrale du Congo (BCC) with the support of the Financial Stability Institute (FSI) and MFW4A, co-hosted the 2022 Community of African Banking Supervisors (CABS) Annual Meeting on 06-07 April. The meeting reflected on a range of current issues, such as: the impact of the Covid-19 pandemic, climate related risks, and supervisory and regulatory approaches toward Fintechs.

The Secretariat is working with the AfDB to invigorate the African Financial Alliance on Climate Change (AFAC). An information session was held on May 12th to get feedback and input from industry stakeholders on priority areas for the AFAC to support financial institutions in mainstreaming climate risk management in their operations.

Trade Finance

Expanding access to trade finance is crucial for the development of Africa's trade sector. Current challenges require innovative solutions for enhancing access to trade finance for African SMEs and other businesses.

Strategic focus in the year under review:

- Promote the scaling up of available finance for domestic and intra-African trade
- Support international trade with Africa
- Harness the benefits accruing from the African Continental Free Trade Area (AfCFTA)

Highlights

Publication released by the MFW4A Secretariat

<i>What?</i>	Launch of factoring profile: 'Unleashing the potential of factoring in Africa'
<i>When?</i>	February
<i>Where?</i>	Virtual
<i>Description</i>	The publication offers an overview of factoring as an instrument of supply chain finance, and its role in making trade finance more accessible to SMEs.



Factoring and Receivables Finance

<i>What?</i>	Workshop on factoring
<i>When?</i>	6 November
<i>Where?</i>	Kampala, Uganda
<i>Description</i>	The MFW4A Secretariat supported Afreximbank and Factor Chain International (FCI) in organizing as part of the Annual Afreximbank Seminar, held on 6 November in Kampala, Uganda.

Partners



Publication launch: 'Trade Finance Demand and Supply in Africa: Evidence from Kenya and Tanzania',

<i>What?</i>	Publication launch
<i>When?</i>	4 May
<i>Where?</i>	Virtual
<i>Description</i>	This report presents the findings of the fourth study in a series of trade finance surveys in Africa. For the first time, we conduct a deep-dive analysis of the trade finance market in Kenya and Tanzania. Data was collected from 804 firms – that cut across multiple sectors of these economies – and 58 commercial banks – that account for over half of all commercial banks in both countries.

Other highlights

- The launch ceremony for the Afreximbank-AU led Pan-African Payment and Settlement System (PAPSS) for instant and secure cross-border payments took place on 13th January in Accra, Ghana. MFW4A helped to promote this and convened a subsequent virtual meeting to present PAPSS to the AfDB Financial Sector Development Department.
- The MFW4A Secretariat supported Afreximbank and Factor Chain International (FCI) in organizing the Factoring and Receivables Finance Workshop, as part of the Annual Afreximbank Seminar, held on 6 November in Kampala, Uganda.
- In July 2022, the Secretariat convened a virtual meeting of banks, financial institutions and business associations for Benin, Burkina Faso, and Mali to showcase and introduce the Mansa Platform. A meeting was also held in September with the Banking Association of Zambia (BAZ) to discuss collaboration in promoting this ground-breaking KYC/DD platform.

Long-term finance

Long-term finance is needed to support the growth of productive activities in key economic sectors. Typically defined according to a specific threshold maturity (between one-year five-year thresholds) the development of LTF for investment projects is essential to achieving affordability – whether in the provision of infrastructure services to consumers or in facilitating enterprise finance and mortgage finance.

Strategic focus in the year under review:

- Continuing to support the Long-Term Finance Initiative (ALTFI)
- Supporting the participation of domestic institutional investors in capital markets
- Supporting sustainable capital markets and product innovation

Highlights

'Financing African sustainable development in times of global headwinds'

<i>What?</i>	ALTFI workshop: 'Financing African sustainable development in times of global headwinds'
<i>When?</i>	23-30 November
<i>Where?</i>	Lusaka, Zambia
<i>Description</i>	The workshop organized by the MFW4A secretariat and hosted by the COMESA Secretariat brought together about 70 representatives, mostly from central banks, securities exchanges commissions (SEC) and partner organizations such as TCX Fund, ISDA, IFC and FSDA, alongside the MFW4A and AfDB. The discussions acknowledged the imperative of unlocking the potential of LTF in Africa to increase local currency financing of key socio-economic sectors, such as housing, power, water and sanitation, roads, and other social infrastructure, and also to support SMEs.

African institutional investors and new asset classes

<i>What?</i>	Launch of publication: "Gauging Appetite of African Institutional Investors for New Asset Classes"
<i>When?</i>	16 June
<i>Where?</i>	Virtual
<i>Description</i>	The authors—the International Finance Corporation, the African Development Bank, and the Making Finance Work for Africa Partnership—launched a report "Gauging Appetite of African Institutional Investors for New Asset Classes", presenting the study findings. The report identified potential areas for local market interventions and supporting national reforms that could help further develop local institutional investors as longer-term asset managers.



Other highlights

MFW4A and the Capital Markets Development Trust Fund (CMDTF) co-hosted a webinar to boost LTF through local currency bond markets and mobilize domestic resources to finance development imperatives including the AfDB's High 5 priorities.

MFW4A partnered with TCX Fund to train selected staff from the Association of African Central Bank members (AACB) on local currency financing, hedging and market development.

LOOKING AHEAD

Message from the Partnership Coordinator



MARINA FINKEN

MFW4A Partnership Coordinator

The financial sector is key to Africa's development. Advancing financial sector development in Africa requires collaboration between African Governments, development partners, the financial sector and other stakeholders. These are the convictions which led to the creation of MFW4A more than 10 years ago. And these are the same convictions that have driven the partnership's activities in this period.

I share these convictions and the MFW4A's vision and beliefs in relation to the central role of the African financial sector's in contributing to development in Africa. I am therefore deeply honoured to have been appointed the Partnership coordinator in November 2022.

Over the last two years, despite the challenging and rapidly evolving environment, MFW4A has carried out its mission, in line with the 2021-2023 triennial strategy. I would like to commend the hard work and dedication of the Secretariat staff for this. And I also thank our development partners and Supervisory Board for their trust and support.

As the African macroeconomic environment continues to evolve, being shaped by multiple

global forces, the role of the financial sector is becoming even more important. Despite the progress witnessed over the years, the challenges are still numerous. Key among them are a growing population, unemployment, climate change and persistent gender inequality. As such, MFW4A must also evolve to help to facilitate the catalytic role of the financial sector and strengthen its impact on African economies and livelihoods. This will be our priority for the upcoming years.

As collaboration and partnership are key values for MFW4A, we aim to broaden our membership base and increase our engagement with African-based institutions, especially the private sector. While doing so, we will also reflect on how to enhance our products and services to our stakeholders.

We will continue to work on the four areas defined in our current strategy:

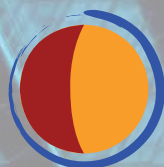
- Inclusive & alternative finance;
- Sustainable banking;
- Trade finance; and
- Long-term finance.

And we will continue to be flexible and ready to respond to any developments in our ecosystem.

Over the years, MFW4A has built an impressive set of strengths and values which makes the platform unique and able to contribute to systemic change in the African financial sector. With the support of our current and future partners and members, we will continue to be the number one reference platform for advocacy, knowledge sharing and cooperation on financial sector development in Africa.

Together we will make finance work for Africa and for Africans!

Contact Details
The Making Finance Work for Africa (MFW4A) Partnership Secretariat
African Development Bank Group
Immeuble CCI A,
Rue Jean Paul II
Abidjan, Cote d'Ivoire
Tel: +225 2026 5271
Email: secretariat@mfw4a.org



**Making Finance
Work for Africa**