

Press release

## Finance in Common Summit – Boosting an inclusive recovery of the private sector in Africa

November 12, 2020 – During the Finance in Common Summit High-level Event “Africa: Towards a Sustainable Recovery for the Private Sector”, hosted by EDFI, financial institutions join forces to dedicate at least USD 4 billion to smaller businesses in Africa by the end of 2021.

The Covid-19 crisis jeopardises decades of private sector growth and job creation in Africa and leads to major setbacks, causing unemployment, inequality and poverty across the continent. While many private sector enterprises have proven resilient, continued access to finance will be necessary to have them survive, to protect jobs, and to recover. The prospects of micro-, small-, and medium-sized enterprises (MSMEs) are under particularly hard pressure. These enterprises are the lifeblood of African economies, and crucial for protecting employment for vulnerable populations.

This is why the Public Development Banks (PDBs), and specifically Development Finance Institutions (DFIs) that provide financing and technical assistance to the private sector in developing countries, are committed to boosting inclusive financial solutions for MSMEs. At the Summit, a group of DFIs announced their intention to dedicate at least USD 4 billion by the end of 2021 through a wide range of financial instruments and in partnership with local intermediaries and partners to help MSMEs face the crisis.

In addition to the 15 European DFIs in the EDFI Association, the first-joiners in the coalition include FinDev Canada, the US International Development Finance Corporation, and regional institutions such as the African Development Bank, The Islamic Corporation for the Development of the Private Sector (ICD), and Banque ouest-africaine de développement (BOAD). The response to the Covid-19 crisis highlights more than ever the need for cooperative action and other institutions are expected to join the coalition.

Rémy Rioux, CEO of AFD Group and President of the Finance in Common Summit declared: *“Since the beginning of the Covid-19 crisis, Public Development Banks (PDBs) are committed to building a coherent response to the economic and social challenges resulting from the pandemic. Today, this collective engagement is reflected by a new coalition composed of fifteen European Development Finance Institutions, FinDev Canada, the US International Development Finance Corporation, the African Development Bank, the Islamic Corporation for the Development of the Private Sector and the West African Development Bank. These diverse institutions are collectively determined to mobilize at least USD 4 billion by the end of 2021 in favor of SMEs in Africa where entrepreneurship is a major lever for development as it drives the continent’s growth and represents its main source of employment. I am confident that supporting the African private*

sector will be an opportunity for PDBs to contribute to a sustainable recovery in line with the objectives set at the Finance in Common Summit, which gathered, for the first time ever, the 450 PDBs of the world. »

Bruno Wenn, Chair EDFI, added: *“The role of DFIs is crucial in times of crisis. Our impact and efficiency are only greater when we cooperate and work together towards the same goals: This is why we call for joining forces for support to the private sector in Africa, especially to smaller and growing businesses. In these challenging times, there is great strength in cooperation among DFIs but also in our diversity and complementarity.”*

“We are very pleased to be part of this global coalition as a major development partner to support the private sector across our member countries. ICD is mandated to support SMEs and to strengthen the technical and financial capacities of local financial institutions, especially those offering financial services in accordance with Sharia principles. We are confident that this strategic partnership will provide much needed support to the private sector and significantly contribute to fostering sustainable economic growth and job creation in low to middle income countries,” explained Ayman Sejiny, CEO, Islamic Corporation for the Development of the Private Sector.

*“The current extraordinary circumstances have stressed the importance of strong collaborative relationships among DFIs. FinDev Canada is pleased to participate in this initiative that will contribute to the commercial viability of SMEs in sub-Saharan Africa, and ensure the livelihoods of the families that depend on them.”* concluded Ken Kember, Acting Chief Executive Officer, FinDev Canada.

#### **About the Finance in Common Summit**

Taking place 9-12 November 2020 in Paris and online, the Finance in Common Summit addresses our common need to build new forms of prosperity that take care of the living (people and planet) in a resilient manner. This first-of-its-kind event gathers the world’s Public Development Banks (PDBs), along with other key stakeholders such as Heads of State and Government, supervisors, and representatives from the private sector, civil society, think tanks and academia, to stress the crucial role of PDBs in reconciling short-term countercyclical responses to the crisis with sustainable recovery measures. By rallying and challenging a new and significant global community with enhanced capacity of action, and by promoting sustained collective action, the Finance in Common Summit is a key milestone on the way to the crucial events of 2021, notably the COP26, the COP15 and the Generation Equality Forum.

#### **About EDFI - the Association of European Development Finance Institutions**

EDFI is the Association of 15 bilateral European development finance institutions that invest in the private sector in emerging and frontier markets to create jobs, boost growth, and fight poverty and climate change. Since EDFI was set up in 1992, its members have financed app. 15,000 projects, and they now manage a combined investment portfolio of EUR 46 billion across financial services, clean energy, industry and many other sectors in more than 100 countries. EDFI’s member institutions include BIO (Belgium), BMI-SBI (Belgium), CDC Group (UK), COFIDES (Spain), KfW-DEG (Germany), Finnfund (Finland), FMO (Netherlands), IFU (Denmark), Norfund (Norway), OeEB (Austria), Proparco (France), SIFEM (Switzerland), Simest (Italy), SOFID (Portugal), and Swedfund (Sweden).

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