



Investing in Accion Venture Lab to develop start-up fintechs in developing countries



05/07/2019 - Date of signature of the project

BANKS AND FINANCIAL SERVICES - Sectors

MULTI-COUNTRY GLOBAL - Location

EQUITY INVESTMENT - Financing tool

1 800 000 EUR - Amount of funding

USD 4M EQUITY INVESTMENT - Financing details

ACCION VENTURE LAB, LP - Client

IF-C - CES

CLIENT PRESENTATION

Accion Venture Lab (AVL) is a seed fund dedicated to financing fintechs that target underbanked populations in developing countries. AVL is an initiative launched by the NGO Accion in 2012. Accion International was founded in 1961 and is a global non-profit organization committed to financial inclusion. Its headquarters are in the USA. The organization aims to support the start-up of fintech companies whose activity improves the quality and accessibility of financial services and/or reduces their cost for the most disadvantage populations. In almost 60 years, the NGO has supported over 110 financial institutions and 50 fintechs operating in over 40 countries in Africa, South and Central America, and Asia.

PROJECT DESCRIPTION

The fund aims to invest in 10 to 15 start-up fintechs (30% of which are african) which have passed the stage of the pilot phase of their product and have demonstrated their business model on the basis of a prototype, in order to assist them with their launch on the market then finance their growth and scaling up. The fund targets the entire range of fintechs, from payment solutions and remittances to financing SMEs and microenterprises and alternative scoring.

The Accion Venture Lab team is today recognized as one of the top fintech specialists on the markets where it operates (Africa, Latin America and Asia). Furthermore, by capitalizing on Accion's expertise in financial inclusion and as a signatory of the Investor Guidelines for Responsible Digital Finance, AVL is positioned as a responsible player able to identify and support players developing sustainable business models which have a strong impact for populations.

PROJECT IMPACT

The project is being implemented in markets characterized by a lack of access to basic financial services and where the emergence of fintechs is structural for the development of financial inclusion.

AVL's creation of value covers three categories: technical assistance, governance and support for raising financing. AVL is more than a capital provider and supports fledgling companies which are in the process of demonstrating their concept and are generally generating little or no income for the time being, by making its expertise and network available to them.

The project should thereby contribute to:

- creating and maintaining jobs in the fund and indirectly in the companies invested in,
- increasing access to microfinance services,
- assisting start-ups in improving governance, accounting practices and reporting,
- mobilizing the private sector: AVL helps its underlying companies raise debt and/or equity.

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