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Empowering Fintechs will Unlock Africa's Economic Prosperity

Three Fintech experts discuss needed improvement to credit access, emphasizing their stories and countless others across Africa, in the latest of a series of webinars focused on Shared Interest's support of Fintech and their commitment for increased engagement.

New York, NY. (Sept. 27, 2023) — As part of their ongoing commitment to empowering small businesses and fostering economic prosperity in Africa's southernmost region, Shared Interest's (SI's) Global Programs Director, [Dorcas Onyango](#), speaks with three Fintech experts about the contributions as well as challenges faced by fintech businesses and entrepreneurs in Africa.

Fintech, a portmanteau of "financial technology," refers to firms using new technology in competition with traditional financial methods regarding financial services delivery. The webinar panelists speaking with Onyango, who served as the panel's moderator representing SI, include: [Juliana Rotich](#), Head of Fintech, Integrations, M-PESA, [Safaricom PLC](#) & member of the [AI and Ethics Board of the Bill & Melinda Gates Foundation](#); [Ivan Oboth](#), Founder & CEO, Mikono; and [Khanya Ndzulukeka](#), Founder & CEO, [Setana Capital](#). Attendees of the webinar panel were a combination of stakeholders, including: investors and donors, the fintech community in Africa and the *United States of America*, SI Board Members and staff as well as lending partners from across the continent.

The three panelists highlighted how "Fintechs," which are typically small and growing businesses, are expanding the financial inclusion of small and growing businesses in other sectors of the continent. Despite their significance, however, fintech entities — which are themselves SMEs — also strive to endure and overcome the disparities in capitalization. They grapple with lack of access to patient capital, tailored financial services, networks and complex regulatory landscapes.

Shared Interest, a leader in expanding financial inclusion of small and growing businesses and has been providing partial credit guarantees for over 30 years to enable financial institutions to increase their lending to small and growing businesses in Southern Africa, advocating for broader transformation within the financial sector in Africa. This transformative approach has been validated by Rotich, who explained the collaboration

between Safaricom and fintech entities to enhance the financial inclusion of small businesses through M-PESA, an innovative mobile transfer service that has revolutionized how Africa handles financial transactions. The widespread adoption of M-PESA across Africa has fostered a vibrant ecosystem of merchants, businesses, agents and consumers. Within this ecosystem, small businesses are empowered to flourish and make meaningful contributions to their communities.

Achieving financial inclusion of small and growing businesses in Africa's dynamic landscape requires a multi-pronged approach and demands diverse tactics.

"SI is advancing that multi-pronged approach by planning for the future. Black students attending Historically Black Colleges & Universities in the United States, commonly referred to as HBCUs, are who we want to educate and arm with information about this new and exciting investing venture and other opportunities to be global social impact investing leaders and social entrepreneurs ... " **Ann McMikel, SI's Executive explains.**

"... And, none of this would be possible without the support of the NASDAQ Foundation, which provided funding that allows our organization to work meaningfully with HBCUs in the U.S. — of which I am a proud alum — to expose students of HBCUs to the world of social impact and ESG investing," **McMikel maintained.**

"Setana Capital empowers business owners of "mom-and-pop" shops in South Africa, who need improved access to working capital," **according to Ndzulukeka.** In the webinar, she highlights the challenges faced by small businesses with regard to accessing funding and how Setana Capital offers tailored financial solutions for entrepreneurs to stock their businesses, which are *critical* to their communities."

Oboth's aim with Mikono is simplification of book-keeping, making it intuitive, seamless and efficient for business owners, while enabling banks and fintech professionals to improve their understanding of SMEs' operations and their potential to make smarter decisions.

These examples shared by the webinar's panelists are part of a larger movement across the continent to revolutionize traditional financial services and increase access to capital for SMEs across the continent. While there are still challenges to overcome, fintech entities exemplify Africa's capacity to build and leverage homegrown solutions to the continent's developmental challenges if supported to do so.

Expanding economic prosperity in the Southern Africa region is not only vital but also essential to SI's mission and vision. The momentum around Fintech presents opportunities for further growth. SI is committed to guaranteeing financial institutions that want to lend to Fintech organizations to scale and grow their business and to partner with like-minded organizations on collective efforts, advancing successful, fintech-business models.

In doing so, Shared Interest contributes to the expansion of financial inclusion for small and growing businesses across various sectors of Southern Africa's economy, which are widely recognized not only for driving the region's economic development, but also for creating a positive impact on their communities and their *quality of life*. To view the webinar, please visit: <https://www.sharedinterest.org/events>.

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About Shared Interest:

[Shared Interest](#) is a nonprofit guarantee fund — with deep anti-apartheid roots — that was established to move local banks to lend to low-income Black women entrepreneurs, and other small and growing businesses as engines of economic growth and development in Southern Africa. To date, Shared Interest has provided \$34 million in guarantees, which has unlocked \$131 million in loans to Black-owned small-and-medium-sized enterprises in South Africa, Mozambique, Eswatini, Malawi and Zambia, impacting 2.3 million individuals from disenfranchised communities. Its latest model and strategic priorities are designed to achieve its guiding star by working with at least 10 Southern African commercial lenders in its five priority countries and benefiting 100,000 people from disenfranchised communities, 60 percent of whom are women and youth.

Media Contact:

Dorcas Onyango

E: dorcas@sharedinterest.org

P: +27634741740