

Developing
**public
policy**

for successful
financial sectors
across Africa



krutham

An Intellidex Company

A photograph showing a young, vibrant green plant with several leaves growing out of the center of a weathered, cracked tree stump. The background is the textured, greyish-brown wood of the stump, with a prominent crack running through it.

Unlocking Africa's development potential hinges on innovative financing mechanisms, prudent fiscal management and robust policy frameworks.

The role of the financial sector in mobilising finance for social objectives – from job creation to climate change adaptation

It will take unprecedented investment to achieve the vision of sustainable development and the energy transition. In 2015, the international community rallied behind one of history's most ambitious development agendas: the 2030 Agenda for Sustainable Development. With 17 sustainable development goals (SDGs) and 169 targets, this agenda seeks to address pressing global challenges, from poverty alleviation to climate change mitigation. That same year, nations committed to the Paris Agreement to limit the rise in global temperatures to 1.5 degrees Celsius above pre-industrial levels. Achieving both requires scaling up investment on an unprecedented level in new areas of energy delivery, productive activity and infrastructure provision.

This is particularly true in sub-Saharan Africa. Home to approximately 400 million people living in extreme poverty, the region grapples with multifaceted challenges, including financial inclusion, unemployment and exacerbated financial and social challenges after the Covid-19 pandemic.

But the path to sustainable development in the region includes significant obstacles. Declining foreign aid looms large among these challenges, with a nearly 50% drop observed from 2015 to 2020. In 2022, despite aid reaching historical levels, Official Development Assistance decreased by 2% (\$4 billion) for developing regions, affecting over 70 countries and almost three billion people. Further, questions remain about the efficacy and quality of aid, particularly regarding its impact on job creation, technological diffusion and economic diversification.

Addressing these challenges demands a fundamental shift. While foreign sources of finance have historically dominated the discourse, a recalibration towards leveraging domestic resources and mobilising financing for social outcomes is imperative.

Central to this recalibration is the role of the financial sector. The sector can be pivotal in financing climate adaptation and mitigation efforts, and access to finance and financial literacy are critical areas in which the industry can continue to progress. Two examples are expanding structures like microfinance and improving multi-stakeholder collaboration.

The key is for the financial sector to embed sustainable finance into its purpose, organisational structures and risk appetites. This will allow the sector to mobilise substantial funding for sustainable development. However, the integration of sustainability in mainstream finance is often reactive, driven by regulatory requirements, risk management, and client demand rather than a proactive commitment to sustainability.

Therefore, much of the success in mobilising development finance will depend on the design of national policies. Governments must lead the charge by creating an enabling environment for private investment, promoting financial inclusion, bolstering tax administrations and prioritising and incentivising green investments.

Building on a 16-year commitment to Africa's sustainable development

At Krutham, we believe financial systems are powerful mechanisms to improve human well-being. That is why we provide our clients with services that improve the functioning of institutions and financial systems to deliver better outcomes for people in their societies.

We work with clients in banking, asset management, development institutions, philanthropy and policymakers to unlock sustainable investment. To achieve success, we develop tailored solutions that promote green financial products and support policy frameworks that encourage sustainable investment and facilitate capacity-building initiatives. We also recognise the important role of innovative financing mechanisms in driving sustainable development and mitigating climate change. Our team anticipates, manages and drives change across various risk landscapes - from policy to the natural environment.

Also see our specialist services in these related areas:

[ESG advisory](#)

[Impact investing](#)

[JET research and advisory](#)

Krutham at a glance

Founded in 2008

Intellidex was co-founded in South Africa in 2008 by well-known South African analyst Dr Stuart Theobald. In 2023, we became Krutham. While Intellidex has been an important part of our history, we are very excited about our future. We are, though, most excited about what we can do for our clients.

A team of 35 full-time staff

Our team includes those with PhDs, MBAs and CFA charterholders with decades of financial services and research experience between them. This expertise allows us to follow a multi-disciplinary approach, adapting to the specific problems our clients are trying to solve. We integrate insights from the team's diverse backgrounds to ensure our strategies are pragmatically grounded to reflect the current trends and the future directions of the markets we navigate.

Combining the expertise of three offices

We have offices in Sandton, London and Boston. From here, we serve clients across the world, including sub-Saharan Africa, Europe and the United States. In these regions we have long had good relationships with key financial services policymakers and regulators, banks and other financial services providers. This extends to the investment and assets management industry.

A network of 40 associates

We draw on a network of 40 associates with relevant region-specific experience, backing our global reach and local insight. Their diverse backgrounds ensure we tailor our services to the region's unique cultural, economic and political landscapes. This network enhances our analytical capabilities but also ensures that our advice and solutions are grounded in specific real-world contexts.

Sustainable finance and climate change at Krutham

Our unique offering to the market is being able to combine a deeply experienced capital market and financing capacity with policy and social impact capabilities across public and private sectors. We span the spectrum of capital, serving clients from global hedge funds to philanthropic organisations. At our core, we are committed to helping our clients understand their evolving marketplaces, all while developing financial solutions to social challenges.

Making climate change mitigation and decarbonisation investible

Addressing climate change is challenging but it also presents opportunity. At Krutham, we have a team of multi-disciplinary experts to manage the large transformation required across all sectors to mitigate and adapt to the effects of climate change. We work closely with development partners, governments, regulators and financial institutions to develop financial ecosystems that will create enabling environments for dealing with the effects of climate change.

Here is how we help.

Public policy for climate risk, adaptation and resilience

We have experience in working with regulators, development finance institutions and policymakers to formulate policies that mitigate climate risks and enhance resilience, refine and develop regulatory frameworks to support sustainable finance and align regulations with region-specific nuances to foster a stable and predictable investment environment.

We have experience in developing regulatory guidance and market frameworks for sustainable finance instruments, including green, social and sustainability-linked bonds. We have assisted government with drafting guidelines based on international best practices and aligning them with local market frameworks. Additionally, we assess potential hurdles to foreign investment and propose solutions to attract regional and global investors to the domestic market through these asset classes.

We support public finance strategies for the transition to renewable energy. We advise on policy measures to ensure an inclusive and equitable transition and help regulators identify and address fiscal challenges.

We employ a holistic approach to managing climate risks, emphasising the need for comprehensive strategies that address immediate and long-term challenges. Our experience in disaster risk management includes developing strategies to finance disaster response efficiently. We use a risk-layering approach that balances budget reallocations, contingency funds, and insurance mechanisms to ensure swift and effective disaster response.



Economic analysis and climate finance

We have supported initiatives that aim to develop an innovative financing mechanism and strategies that enhance resilience and adaptation. We conduct detailed economic analyses to support climate finance initiatives, providing insights into market trends and investment opportunities.

Our work includes recommending models for private sector participation in infrastructure development. This includes developing strategies such as financing and building critical infrastructure with state-backed guarantees and build-own-operate-transfer (BOOT) models.

Additionally, we conduct in-depth economic analysis to understand the impacts of climate change on various sectors and identify opportunities for climate finance. This involves evaluating the costs and benefits of different financing instruments, such as parametric insurance and sovereign bonds, to develop robust financial strategies that reduce fiscal vulnerabilities. We also perform detailed analyses of financial structures, including guarantees and escrow arrangements, to ensure these projects' financial viability and attractiveness to investors.

We assess existing local and national adaptation plans, benchmark them against best practices and provide actionable recommendations to mobilise funding. Our market and policy analysis helps define the landscape for bankable projects, ensuring that investments align with economic and environmental sustainability goals.

Market research

Our market research capabilities provide deep insights into market trends and investment opportunities through detailed research and analysis. We assess potential hurdles to foreign investment and propose solutions to attract regional and international investors to the domestic market through suitable asset classes. We also identify key areas where philanthropic funders can provide initial capital to achieve measurable, scalable and replicable impact. This comprehensive support helps build robust and attractive capital markets, fostering sustainable investment and economic growth.

We focus on the technical aspects of ESG to ensure that investments are aligned with both commercial and developmental goals. Our research supports the development of sustainable investment products that meet international standards and attract a broad range of investors.

We conduct extensive studies to understand the local ecosystem and identify gaps that must be closed to attract commercial funders. This involves mapping the local market landscape and assessing the readiness of different sectors for investment.

Some of our past experience

Guiding Rwanda's green financial evolution

The **World Bank** commissioned us to develop regulatory guidelines to support **Rwanda's Capital Markets Authority (CMA)** to vet the issuance of green, social, sustainability and sustainability-linked (GSS+) bonds, in line with both international best practices as informed by the International Capital Markets Association (ICMA) and Rwanda's domestic market framework. Additionally, we undertook a market-sounding exercise with the international buy-side community to inform the development of a market appetite assessment report containing recommendations on how Rwanda can improve investment appetite for these instruments. This research was supplemented by engaging local market stakeholders to obtain a holistic view of perceptions of and appetite for GSS+ instruments.

Developing a concessionary finance scheme for small businesses

As part of our COVID-19 response, we partnered with the South African government's **National Treasury** to develop a concessionary finance scheme to support small businesses through the economic disruptions caused by the pandemic. The scheme was designed to provide immediate financial relief to businesses severely impacted by lockdowns, ensuring their survival and aiding their recovery. Our approach included creating a structured financing mechanism that combines budget reallocations, contingency funds and concessional loans to offer affordable financing options. The scheme has now evolved to support small businesses installing embedded solar solutions, contributing to the country's efforts to address the energy crisis and promote sustainable economic recovery.

Developing a disaster risk finance strategy

We partnered with the **World Bank** and the South African government's **National Treasury** to develop a comprehensive disaster risk finance strategy aimed at enhancing the country's resilience to natural disasters. This project involved conducting in-depth economic analyses to evaluate the fiscal impacts of disasters and developing innovative financing mechanisms to support disaster response and recovery.

Enhancing proportionality in bank regulation

The **Banking Association South Africa (BASA)** commissioned us to study proportionality in banking regulation and supervision within the South African banking sector. We assessed the impact of regulatory frameworks, including Basel III, on banks of varying sizes and complexities. We evaluated how proportional regulatory measures were being applied, focusing on capital and liquidity requirements, supervisory practices, and conduct and integrity regulations. We also provided recommendations for regulatory changes to better fit different banks' risk profiles and operational scales. Our findings highlighted the need for greater transparency, tailored supervisory practices, and a potential tiered regulatory framework to support smaller banks while maintaining financial stability.

Collective investment scheme review

We partnered with the **World Bank** and the **South African government** to provide a comprehensive analysis of the Collective Investment Scheme (CIS) industry. This project aimed to support the growth of the CIS industry by identifying potential regulatory improvements and market dynamics that could enhance private-sector financing mobilisation. We focused on understanding the factors influencing investor preferences, the features of investment platforms, asset allocation drivers, and the industry's regulatory framework. We engaged with key stakeholders, including ASISA and various investors, to gather insights and validate our findings. We also provided policy recommendations based on our findings.

Designing and implementing an outcomes fund for youth employment

Led the creation of the **Jobs Boost Outcomes Fund**, a \$17m programme to drive youth employment in South Africa. Krutham designed the fund, which is now being implemented and administered to support the creation of thousands of jobs for unemployed young people in South Africa. The programme forms part of the Presidential Youth Employment Initiative, and the National Skills Fund is the sole outcomes funder in the first phase.

Some of our clients



What our clients say

”

... delivered a high-quality report that will make a valuable contribution to South Africa's policy debate and the market reforms required to scale up financing for the just energy transition.

African Climate Foundation

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Intellidex (now Krutham) delivered robust data quality management, analysis, and report development, along with deep insight into the retirement sector, particularly as it pertains to sustainable finance. The team worked closely with us in finalizing the report to a high standard and with meaningful insights.

Intellidex has since worked with us to present the results to FSCA staff and South Africa's retirement sector to shed light on the current trends and opportunities for the industry to unlock new types of investments and strengthen fund performance through sustainability-focused strategies.

International Finance Corporation (IFC)

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Krutham's methodical approach in identifying and engaging with appropriate representatives, alongside their strong networks were instrumental in the project's success. This work resulted in a detailed report that synthesised the findings from these engagements, which has been invaluable in moving forward with the strategy's socialisation. Krutham's stakeholder engagement support went above and beyond, ensuring that the Disaster Response Financing Strategy secures buy-in from all stakeholders involved.

World Bank

Our team



Dr Roy Havemann
Principal
Financial Sector Policy & Public Economics
BCom (Hons), MCom , Msc , PhD

Roy specialises in public policy development, banking strategy and general economics. He has over 20 years of experience, with a 15-year career with National Treasury. While at Treasury, he played a key role in several post-global financial crisis reforms, including the introduction of the Financial Markets Act.



Dr Stuart Theobald, CFA
Executive Chairman
Financial Innovation
BA(Hons), MSc, PhD

Stuart's works on financial solutions and policy to improve social outcomes. He has extensive experience in analysing sub-Saharan Africa and works with clients from around the world, including leaders in financial services, organised business, development agencies, philanthropic foundations, regulators and governments.



Peter Attard Montalto
Managing Director
Capital Markets, Political Economy & JET
BA (Hons), MA

Peter has been analysing South Africa for 17 years and is a well-known, commentator and analyst of its economy, politics and markets. Peter has worked with counterparts at the highest level of government and the private sector, supporting global investors with investment strategy, supporting innovation in fiscal strategies.



Nicole Martens
Head of Impact Investing Research
BA (Hons), MSc

Nicole works with finance-first and social-first clients, ranging from banks to philanthropies, to develop and implement mechanisms to improve social outcomes while meeting financial targets. Her expertise includes advancing Africa's transition to a low-carbon economy and leveraging innovative finance mechanisms to achieve financial returns with positive ESG outcomes.



Dr Cecilia Schultz
Senior Researcher: Capital Markets
BA (Hons), MA, PhD

Cecilia's expertise lies at the intersection of finance and society within the climate financing space. She is involved in projects such as climate risk insurance and adaptation measures in Africa and tailoring solutions to specific regional needs. Her contributions extend to working on the Just Transition Financing Mechanism and providing recommendations to mobilise just transition financing in South Africa.



Zethu Diko
Infrastructure & JET Analyst
BCom (Hons)

Zethu is an analyst in the capital markets division, responsible for conducting research and analysis on the South African energy and infrastructure landscape. Her past experience includes working as a research analyst at the South African Photovoltaic Industry Association (SAPVIA). She also worked as an intern at GIZ under the Programme for Infrastructure Development in Africa.



Talk to us about how we can help you.

mail@krutham.com