

# AFRICA

## GLOBAL FUNDS



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**I**n this month's issue we caught up with the biggest multilateral financial institution in the world - the European Investment Bank. Thomas Östros, EIB Vice President, told us about EIB's initiatives and investments in Africa, as well as challenges that they experience on the continent.

Read on pp.14-15.

For private equity firms, there are several exit strategies that have their own advantages and considerations, according to Albert Alsina, Founder and CEO, Mediterrania Capital Partners. He says that PE firms seeking to deliver superior returns must choose the one that aligns best with their investment goals and the specific circumstances of the portfolio company. Read on p.16.

In this month's edition we also learn about one of the Verdant Capital Hybrid Fund's portfolio companies - LOLC Africa. The company is one of the best performing global microfinance groups, and the investment is in-line with the Fund's strategy of picking the top performer of each theme or category. Read on p.17.

In addition, the new Chief Executive of Edge Growth's Ventures business, Janice Johnston is passionate about developing and cultivating SMEs. She highlights the need to support and uplift women entrepreneurs in South Africa on p.22.

On the fundraising front, Abidjan-based private equity firm Joliba Capital has announced the first close of its Joliba Fund I, raising €55m from commercial and development investors including IFC, Proparco, FMO and the French private equity firm LBO France. Read on p.4

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**If you would like to get in touch with any comments or suggestions for future issues, please e-mail myself at [a.lyudvig@africaglobalfunds.com](mailto:a.lyudvig@africaglobalfunds.com)**

Best regards,

**Anna Lyudvig**  
 Managing Editor

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# Joliba Fund I Hits First Close at €55m



**William Sonneborn,**  
Global Director for Disruptive Technologies  
**IFC**

**A**bidjan-based private equity firm Joliba Capital has announced the first close of its Joliba Fund I, raising €55m from commercial and development investors including IFC, Proparco, FMO and the French private equity firm LBO France.

IFC has announced an equity investment of up to €15m in Joliba Fund I, including an equity investment of up to €7.5m from IFC's SME Ventures program and an additional €7.5m from the Blended Finance Facility of the International Development Association's Private Sector Window, which helps de-risk investments in low-income countries.

"Through funds like Joliba and our SME Ventures program, we are helping SMEs - most of them family-owned - improve margins, build brands, and create jobs," said William Sonneborn, IFC's Global Director for Disruptive Technologies, Creative Industries, and Funds.

"In many cases, especially in countries with nascent private equity ecosystems, IFC is helping create markets as our support help attract other investors with similar interest to create new sources of equity financing for SMEs."

Majority-owned by LBO France, Joliba Capital is a multi-specialist, multi-country investment company that supports companies in their development in French-speaking Africa.

Joliba Fund I will invest in SMEs in Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Cote d'Ivoire, Mali, Niger, Republic of Congo, Togo, Senegal, and Gabon.

Joliba's investments will focus on sectors such as consumer products and services, financial services, transport and logistics, agribusiness, business services, health care and education.

The fund manager will also provide the SMEs with organizational and operational support, especially in digital transformation and talent management.

IFC will work with the fund manager to develop and implement environmental and social standards.

Djalal Khimdjee, Deputy CEO at Proparco, and Damien Braud, Head of Private Equity Africa & Middle East, said: "We're thrilled to have been able to support Joliba Capital from the very outset with LBO France, and to have IFC and FMO alongside us again. We are proud of Joliba Capital's commitment to jointly generate good and sustainable returns and implement ESG best practices to maximize impact notably through the promotion of gender diversity. We are also very pleased to see LBO France, a top tier French GP support a initiative towards the Africa continent as we hope it will be the first one of many."

Private equity activity in West and Central Africa remains one of the lowest in the world.

At least 80% of the fund's investment will go to SMEs in countries eligible for IDA, the World Bank Group's fund for the poorest countries.

Private equity fundraising for regional funds in West Africa declined to \$20m in 2022 from \$234m in 2018, according to the Global Private Capital Association.

Hamada Touré and Yann Pambou, Co-Founders of Joliba Capital, said: "We are very proud of this achievement and excited to finally support African SMEs with innovative financial solutions and bridge the financing gap in Francophone West and Central Africa. We would like to thank our partner LBO France and our investors Proparco, FMO, and IFC for their trust. We look forward to welcoming more commitments from DFIs and institutional investors as we are moving towards our final close."

## INVESTORS

# FSDAi Commits \$19.5m to Three Funds

**F**SD Africa Investments (FSDAi), the investing arm of FSD Africa, has announced investments totalling \$19.5m in Acre Impact Capital's Export Finance Fund I, Catalyst Fund and Camco's Spark Energy Services.

The investments will support climate adaptation and climate-aligned infrastructure projects in Africa and to promote the continent's resilience to climate change.

Anne-Marie Chidzero, CIO, FSD Africa Investments, said: "For Africa to achieve a green economic growth pathway, access to green finance

needs to be scaled up. Our mission is to enable investments to flow by taking more risk and working with local intermediaries to bridge the gaps in the current financing structures. We are backing these three funds, which provide innovative ways to finance businesses which will make a big contribution to Africa's green economy."

FSDAi has invested \$12m in Acre Impact Capital's Export Finance Fund I, the first to address the lack of commercial debt financing for sustainable infrastructure projects guaranteed by official Export Credit

## Deals & Exits

Agencies (ECAs).

Financing from ECAs reduces the cost of debt and makes infrastructure projects more affordable. However, in order to access ECA support, project sponsors have to make a down payment of ~15% of the project value using commercial debt which is increasingly scarce.

FSDAI's investment in Acre will facilitate the flow of ECA finance for social and green infrastructure, mobilising \$67m directly related to FSDAI's investment, providing improved access to essential services for over 500,000 people and generating over 2,000 jobs.

FSDAI has committed \$4.5m in Catalyst Fund, a pre-seed venture capital fund and accelerator that will invest in and provide hands-on venture building support to tech start-ups that aim to improve the resilience of climate-vulnerable communities across Africa.

The investment will help demonstrate venture building as an investible model that can accelerate the growth of climate-smart businesses in Africa with a target of creating or accelerating 40 businesses and helping 5m individuals and households to adapt to the effects of climate change.

In addition, FSDAI has allocated \$3m into Spark Energy Services (Spark), which is designed and managed by climate and impact fund manager Camco to provide financing to captive solar and energy efficiency developers in Sub-Saharan Africa.

The platform seeks to address the lack of financing available to

developers of smaller scale projects by innovatively aggregating small projects to reduce transaction costs and diversify risk.

FSDAI's investment in Spark will support a just transition and achieve local development benefits by facilitating a 0.61m MtCO<sub>2e</sub> (million metric tons of carbon dioxide equivalent) net reduction in greenhouse gas emissions, working in partnership with local developers, creating 1,400 jobs and providing a lower cost, reliable and clean power supply to commercial and industrial SMEs.

FSDAI makes investments in support of 'innovative' financial instruments, facilities and intermediaries that can accelerate the role of finance in Africa's green economic growth.

It is funded through UK International Development from the Foreign, Commonwealth & Development Office (FCDO).

One of FSDAI's distinctive features is its mandate to take significant investment risk. FSDAI fills an important funding gap by assuming the commercial risk of novel financial solutions that neither development finance institutions nor private investors are prepared to take.

Andrew Mitchell, UK Minister for Development, said: "The climate finance projects we announced demonstrate the strength of our commitment to Africa's green future. UK leadership is determined to unlock the funding needed internationally to drive forward the green agenda. Our ambitions can only be realised through partnership and cooperation, with Africa and the international community. We are stronger together - and we go far when we go."

### EXITS

## Tana Africa Exits IEG to Globeducate

**T**ana Africa Capital has exited its investment in IEG, a network of schools with more than 4,500 students across three schools in Morocco and one school in the Netherlands, to Globeducate, one of the world's leading K12 education groups.

Robert Leke, Principal at Tana Africa Capital, said: "It has been a great privilege for Tana to participate in the development of IEG since its creation in 2015 alongside Saham."

**"IEG schools will benefit from access to world-class educators, exciting learning experiences and state-of-the-art teaching platforms"**

- Luca Uva, CEO of Globeducate

"We are extremely proud of what we have accomplished to date. We firmly believe that Globeducate, with over half a century of experience in international education, is the best partner to work with IEG to write the next exciting chapter in its history. On behalf of Tana and our shareholders, I would like to thank Saham and the IEG teams and wish them much success," he said.

The schools (Lycée Français Guy de Maupassant in Casablanca, Lycée Français Sophie Germain in Rabat, École Trilingue Internationale in Casablanca, and International French School in Amsterdam) offer modern and contemporary facilities, including amphitheatres, semi-

Olympic swimming pools and Fablabs.

Uniting this bilingual schools group with Globeducate consolidates the bilingual offering the group is able to offer, with expert educators in bilingual education able to share best practice and work closely with each other.

In addition, students and teachers alike will benefit from close collaboration across the Globeducate network, through participating

in international events organised by Globeducate (International Music Festival, Model United Nations, Academic Olympics, Global Olympics etc.) and unique partnerships with international organisations such as WWF (World Wildlife Fund) and Eco-Schools, as well as collaborations with LEGO Education and Arts International.

Luca Uva, CEO of Globeducate, said: "We are delighted to partner with Saham to further develop IEG. We look forward to working with the entire IEG network team to continue to deliver excellence in education to its entire community. This is an exciting development for both Globeducate and IEG. IEG schools will benefit from access to world-

class educators, exciting learning experiences and state-of-the-art teaching platforms.”

Lamia Outgenza, Managing Director of International Education Group, said: “IEG is proud to have Globeducate as a shareholder and strategic partner. For IEG and its schools, this is a unique opportunity to become part of one of the largest school networks in the world and to benefit from a daily expertise that will undoubtedly allow us to continue to innovate in order to fully meet the expectations of families and students“

Amine Lahrichi, Secretary General in charge of Operations at Saham, added: “Saham is delighted to join forces with Globeducate to continue supporting IEG. Globeducate is a prestigious partner with whom we share the same values and ambition. Its entry into IEG's capital is a recognition of the quality of the work accomplished since 2015 and which we will be keen to continue together.”

The transaction was led by Investment Bank Nomura, Financial Advisor Deloitte, Legal Advisor Clifford Chance, and Operational/Educational Advisor Afaya Partners.

## DEALS

# RMB Delivers Funding Package for GZ Industries



**Chidi Iwuchukwu,**  
Head of Investment Banking for Broader Africa  
**RMB**

**R**and Merchant Bank (RMB) has acted as the sole arranger and lender to the GZ Industries Limited group (GZI) on a \$47m and NGN5bn funding package, offering a tailored solution that positions the company favourably for growth and expansion in the future.

GZI is a manufacturer and producer of premium-quality aluminium cans for several leading global blue chip beverage brands in Africa and the largest pure play beverage packaging solutions provider in Africa.

The Group has manufacturing facilities in Nigeria and South Africa with current production capacity of three billion cans per year and supplies into key regional markets in West and Southern Africa.

“RMB delivered a multi-jurisdictional, multi-currency solution that meets the requirements of both shareholders and management and

that will position the Group to cater to increased demand across the continent,” said Chidi Iwuchukwu, Head of Investment Banking for Broader Africa at RMB.

The proceeds of this package will be used to facilitate the Group's expansion to meet rising and complex customer demand underpinned by long term secured customer relationships across its markets.

“The package facilitated enhancement of the Group's balance sheet while reducing its overall cost of capital. This will help to optimise the capital structure with increased flexibility for growth and dominance, ensuring GZI's sustained market leading position and future expansion,” said Sibusiso Tashe, Co-head of Leveraged Finance at RMB.

“The debt package is a demonstration of RMB's partnership-driven approach, which puts the needs of clients at the heart of our structuring. We also brought to play RMB's institutional partnerships with local institutions to deliver this offering,” added Iwuchukwu.

## DEALS

# AIIM Invests in N+ONE

**A**frican Infrastructure Investment Managers (AIIM) has agreed to invest \$90m of growth equity through its latest pan-African infrastructure fund, African Infrastructure Investment Fund 4 (AIIF4) in N+ONE DATACENTERS (N+ONE), an African data center owner and operator.

The proceeds will be used to develop a new Pan-African data center and cloud services platform with a short-term target capacity of 40 MW.

The platform will focus on the development of hyperscale and wholesale carrier-neutral facilities to provide solutions to enterprise, government and hyperscale customers across the continent.

The partnership with AIIM paves the way for N+ONE to further expand its existing campuses in Morocco and Senegal while developing new hyperscale locations in response to customer demand.

“N+ONE is an exciting success story having built market-leading

facilities in Morocco, and demonstrating its ability to meet customer needs with its comprehensive portfolio of products and services," said Moritz Breickmann, Investment Director at AIIM. "With this partnership, we are seeking to replicate N+ONE's success in new markets by building a pan-African data center platform that provides customers with trusted solutions across several countries and addresses the increasing demand for data storage and processing on the continent."

AIIM's extensive infrastructure investment track record in Africa, with multiple digital infrastructure investments across the telecommunications towers, data center and fibre sub-sectors, coupled with an active asset management strategy to support high-performing management teams alongside its ability to provide substantial growth capital, were key factors in forming the alliance.

The \$90m contribution will support the roll-out of the platform and construction of greenfield data center infrastructure across West Africa.

The investment will add to AIIM's current portfolio of digital infrastructure assets and accelerate digitization on the continent. There is currently more than 300MW of installed IT load in Africa, the majority of which is in South Africa. Exponential growth in data generation and consumption in combination with an increased focus on data sovereignty will result in the onshoring of data onto the continent.

With data center demand expected to grow to over 1GW by 2030,

significant investment is needed to support the growth potential of the continent's digital economy.

The joint platform aspires to bridge Africa's current digital infrastructure gap by providing world-class facilities and services to stimulate the expansion of local businesses and enable multinational companies to extend their African operations. AIIM and N+ONE's commitment to alleviating Africa's digital gap stands as a testament to their dedication to unlocking the continent's tremendous digital economy potential.

N+ONE recognizes the pivotal role that digital infrastructure plays in accelerating digital transformation, fostering innovation, and driving economic growth. With a deep understanding of the African market, N+ONE aims to consolidate its position as a key player in helping to shape the digital future of the continent.

"We are thrilled to introduce our collaboration to the African market," said Amine Kandil, Founder and CEO of N+ONE. "Our vision is to deliver regionally interconnected hyperscale data centers, built and operated to highest industry standards. This launch represents a significant step toward realizing that vision."

This is the sixth commitment made out of AIIM's AIIF4 fund, a thematic investor targeting growth infrastructure opportunities within the digital infrastructure, energy transition and mobility and logistics space.

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## DEALS

# A.P. Moller Capital Acquires Vector Logistics



**Chris Creed,**  
Managing Director  
**Vector Logistics**

**A**.P. Moller Capital has acquired Vector Logistics, a South Africa's frozen infrastructure logistics operator, providing multi-temperature warehousing and distribution, supply chain intelligence, and sales and merchandising solutions.

The company's substantial network of warehouses provides reliable cold chain infrastructure for food products, which increases shelf life and reduces food waste.

Having purchased Vector Logistics from RCL FOODS, A.P. Moller Capital is ready to support the company's continued growth, capitalizing on its extensive network and long-standing history of investing and operating in Africa.

A.P. Moller Capital will also see to the continued implementation of a strong Environmental, Social and Governance (ESG) agenda at Vector Logistics to ensure a sustainable future.

"Over the past 18 years, Vector Logistics has grown significantly, and A.P. Moller Capital is committed to furthering the growth of Vector Logistics and providing our customers with market leading solutions to their cold chain business. A.P. Moller Capital is guided by an ethos

of 'doing well while doing good' and we see Vector Logistics as a clear example of that. We look forward to pursuing a bright future together," said Joe Nielsen, Partner at A.P. Moller Capital.

Vector Logistics has been an integral part of RCL FOODS since 2004, and has grown into a leading player backed by a strong customer-centric model, according to RCL FOODS Chief Executive Officer, Paul Cruickshank.

"Its exit from the Group is part of our strategic portfolio transformation journey which we announced in 2021, with the aim of growing a focused Value-Added Business while separating out the Vector Logistics and Rainbow businesses to position them for independent operation. The move is a strategic milestone for both businesses and we wish the Vector team every success going forward," he said.

"We are excited to enter this next phase of growth and boundless possibilities. Our unwavering commitment rests with ensuring a smooth transition for our employees, customers and suppliers as we continue Going Beyond in providing a world-class service," added Chris Creed, Managing Director of Vector Logistics.

This is A.P. Moller Capital's second investment in South Africa, following its joint venture with Reunert in 2021 to develop a portfolio of cost efficient, renewable energy solutions for commercial and industrial customers in Africa.

## DEALS

# Camco Gets Almost \$25m for Spark Energy Services



**Thomas Varela,**  
Senior Investment Analyst, Clean Energy  
**Symbiotics Investments**

**C**amco has announced commitments of nearly \$25m in equity and debt funding for Spark Energy Services (Spark), its innovative financing platform supporting energy efficiency and captive solar initiatives in Sub-Saharan Africa's commercial and industrial (C&I)

sector.

Commitments have so far been made for the full equity allocation for Spark's \$50m targeted initial close, including \$3m from UK government-funded FSDAi, \$2.2m from Jaltech Fund Management and over \$3m from Camco.

EIB is the sole junior lender, having committed \$10 million in junior debt, with Symbiotics Investments committing \$5m in senior debt as part of a senior debt consortium expected to commit up to \$30m by

Q4 2023.

Thomas Varela, Symbiotics Investments Senior Investment Analyst, Clean Energy, said: "This transaction exemplifies Symbiotics Investments' approach to clean energy investment, as we thrive to push capital where it usually doesn't flow. Our funding for Spark will bolster the expansion of local developers, typically SMEs, who often face challenges in accessing the necessary capital to scale their operations. This is particularly pertinent for energy efficiency projects backed by Spark—a segment that continues to be underfunded despite its significant potential for climate mitigation."

Thomas Östros, European Investment Bank Vice President, added: "Ensuring that African industry and business can accelerate investment to cut energy bills, harness renewable energy and reduce carbon emissions is crucial for delivering climate action in Africa. As highlighted at the African Climate Summit this week, the European Investment Bank is pleased to support Spark's visionary engagement that mobilises private capital to accelerate business-led climate investment."

Camco is now targeting the close of \$50m by Q4 2023 and a subsequent close of at least \$100m within two years.

Adam Fitzwilliam, Director of Spark, said: "With power demand from Sub-Saharan Africa's C&I sector expected to double between 2020 and

2040, addressing the sector's emissions growth is a climate imperative. At the same time, the sector is suffering from an expensive, unreliable and polluting power supply that is hampering growth, with limited access to finance meaning very few SMEs have the necessary upfront capital to invest in clean energy solutions.

"Camco designed Spark to respond to these challenges and support green growth on the continent and today's announcement is a clear demonstration of our investors' confidence in the platform. We are thrilled to announce a strong set of partners despite a challenging broader investment climate."

The announcement by Camco comes after the UK government announced GBP 49m (~\$62m) worth of new projects to fight climate change in Africa.

Andrew Mitchell, UK Minister for Development and Africa, said: "The climate finance projects we announced demonstrate the strength of our commitment to Africa's green future. UK leadership is determined to unlock the funding needed internationally to drive forward the green agenda. Our ambitions can only be realised through partnership and cooperation with Africa and the international community. We are stronger together - and we go far when we go together."

## INVESTORS

# BII And FMO Invest in Dashen

**B**ritish International Investment (BII) and FMO have announced their joint commitments of up to \$20m each to Dashen Bank (Dashen), one of Ethiopia's largest private sector banks.

The loan will help to drive agricultural exports and provide access to much-needed foreign exchange (FX) within Ethiopia.

Stephen Priestley, Managing Director and Head of Financial Services at BII, said: "We are proud to be amongst the first movers in a financial market opening up to international investment with this transformative commitment. BII has been a pioneer investor in Ethiopia for the past 50 years. Our partnership with FMO and Dashen Bank forms part of a mobilisation plan that creates untapped opportunities for DFI and

of cut flowers and coffee to livestock - will enable innovation, business growth, improved quality and safety standards, and value addition.

It will also create significant economic potential, contributing to more financially inclusive growth, in a country where only 45% of the population has access to bank accounts.

Through this commitment, BII and FMO become the first foreign financial institutions to provide long-term funding to Ethiopia's financial services sector under the new intermediation directive for banks issued by the National Bank of Ethiopia in 2021.

This is part of their collaborative efforts to help catalyse the market, build confidence amongst international and domestic investors so as

**"Dashen Bank is breaking the ice in the materialization of the directive for foreign loans intermediation**

- Asfaw Alemu, CEO of Dashen Bank

commercial investment into Ethiopia's financial services sector for years to come."

BII and FMO are supporting Dashen Bank to help bolster the country's agricultural sector, which employs 80% of the population, contributes 39% to GDP and generates 90% of its foreign currency from exports.

The development finance-backed facility enables Dashen to provide USD-denominated loans to cover the costs of importing machinery - supporting farmers towards increased productivity in areas such as harvesting, logistics, and processing and boosting exports earnings.

Broader financial support for agricultural enterprises - from producers

to mobilise more private capital.

This partnership will also help Dashen to enhance their governance, risk management, Environmental and Social, as well as gender practices and bring these to the highest standard in the country.

Marnix Monsfort, Director of the Financial Institutions Department at FMO: "We are very excited by this pioneering opportunity to support Dashen and Ethiopia in attracting Foreign Direct Investments and USD funding. By providing much needed foreign currency for on-lending to the bank's agriculture/exporting clients, FMO aims to contribute to job creation and financial inclusion of rural communities. We thank both

Dashen and BII for this great collaboration."

Asfaw Alemu, CEO of Dashen Bank, added: "We are pleased for achieving this historic milestone. With the exemplary co-lending of BII and FMO, Dashen Bank is breaking the ice in the materialization of the directive for foreign loans intermediation. The forex denominated financing will enable Dashen Bank, one of the top four private sector banks in Ethiopia serving over 5 million customers

with a footprint of 800 plus branches, to support export-oriented agribusinesses. On top of the badly needed foreign currency, the lessons learnt through the rigorous due diligence process will help us set the bar high when it comes to sustainable financing in Ethiopia. We are extremely grateful to our partners BII and FMO for putting their trust on Ethiopia's agricultural sector, and Dashen Bank's capacity to deliver results."

## INVESTORS

# Bank of America Refinances Gabon Sovereign Debt

**B**ank of America has completed a first of its kind debt-for-nature transaction in Continental Africa to refinance \$500m of sovereign debt of the Gabonese Republic.

The transaction will enable the country to contribute \$125m in new funding for ocean conservation, supporting their commitment to protect 30% of its lands, freshwater systems, and ocean by 2030.

"As the first debt-for-nature transaction in Continental Africa, this transaction demonstrates Bank of America's commitment to sustainable finance and our ability to innovate for our clients. We are encouraged by the enthusiastic response from the global investor community and hope this transaction will serve as a blueprint that can be scaled for other countries interested in improving the sustainability of their debt, while putting global capital to work in enhancing natural capital," said Paul M. Donofrio, vice chair of Bank of America.

Bank of America acted as Sole Initial Purchaser, Structuring Agent and Bookrunner on the \$500m issuance, marking the start of what will be a 15-year-long conservation and refinancing project for Gabon.

As part of the transaction, Bank of America also acted as Sole Dealer Manager for a tender offer using the proceeds raised from the new Blue Bond issuance used to repurchase a portion of Gabon's existing sovereign U.S. dollar-denominated Eurobonds.

The payments by Gabon will be partially used to fund contributions to an independent Conservation Fund (with TNC as the project manager and technical advisor) and pay into an endowment that will continue to fund conservation after the bonds are repaid.

The U.S. International Development Finance Corporation (DFC) is providing political risk insurance for the Blue Loan to Gabon, which enhances the credit rating of the bond issuance and provides debt relief for Gabon over the next 15 years. This deal also represents the highest amount of new debt raised for a TNC-sponsored project.

"DFC's political risk insurance provided critical support for this historic transaction, helping to mobilize capital from institutional investors and catalyze additional investment in Gabon's marine conservation efforts," said DFC CEO Scott Nathan.

H.E President Ali Bongo Ondimba of Gabon, said: "The launch of

Gabon's Blue Bond is an important moment, giving us hope that green or blue financial mechanisms will grow significantly in coming years and help countries like Gabon, who effectively protect critical ecosystems whilst also growing our economies. All too often talk of these new mechanisms to reward countries like my own remain just that. In this case, thanks to the work of our partner, Bank of America, The Nature Conservancy, and the US International Development Finance Corporation, we have made it a reality. I call on Developed Nations and our Multilateral Banks to multiply these sorts of initiatives, which could make a significant contribution to addressing the critical challenges of Climate Change and Biodiversity Loss."

"As a global financial services organization, we are committed to helping lead our clients towards a more sustainable future by developing innovative investments that put global capital to work," said Bernard Mensah, President of International at Bank of America. "We are proud to be partnering with TNC, DFC and the Gabonese Republic, to contribute to the growing blue bond market and ultimately increase the speed and scalability of future blended conservation deals."

"The Nature Conservancy's Blue Bonds for Ocean Conservation program is an ambitious plan that aligns with national and international commitments to scale up ocean conservation around the world and address urgent biodiversity loss through improved ocean management", said Jennifer Morris, CEO of The Nature Conservancy.

"Gabon is the fourth Blue Bonds project for us and combines finance with science and marine planning expertise to help governments reach their conservation and climate goals while also supporting the well-being of their people and economies. Working with Bank of America, we are helping Gabon to ensure protection and management for 30 percent of its ocean - which brings us one step closer to TNC's bold goal to conserve nearly 10 billion acres of ocean by 2030."

In 2020, Bank of America set a goal to mobilize and deploy \$1.5trn by 2030 to advance the sustainable development goals (SDGs) 193 countries agreed to in 2015, with \$1trn of that focused on helping clients transition to a low-carbon future.

## INVESTORS

# EBRD Backs MC IV Fund

**T**he European Bank for Reconstruction and Development (EBRD), a multilateral bank that promotes the development of the private

sector and entrepreneurial initiative in 36 economies across three continents, will be investing up to €30m in the new Mediterranean Capital

## Markets & Industry News

Partners's MC IV fund to support mid-cap companies in North and Sub-Saharan Africa.

Anne Fossemalle, EBRD Director for Private Equity Funds, said: "Through our investments we aim to help local businesses flourish, promote innovation, catalyse enterprise growth and, critically, seek financial returns for the Bank. We are proud that our fund investments ultimately improve the quality of people's lives in EBRD's Countries of Operations. With their established presence in North Africa, transactional and operational experience, robust ESG processes and dedication to the promotion of gender equality, Mediterrania Capital Partners continues to be a key partner for the Bank."

With one investment already fully executed - a Moroccan pharmaceutical company Laprophan - MC IV aims to invest up to €350m in African businesses to help them reach their full operational potential and generate financial returns for investors.

Mediterrania Capital Partners' funds target mid-size companies operating in sectors crucial for the furtherance of development, including Education, Financial Services, Healthcare, Pharmaceuticals, Construction and Consumer Staples.

Albert Alsina, Founder and CEO of Mediterrania Capital Partners, said: "We're very excited to be able to count on the ongoing trust and

support of the EBRD. The EBRD's values of building market economies through businesses that are competitive, green, inclusive, resilient and well-governed are fully aligned with our goals as a private equity firm that seeks to deliver high returns to our investors and partners while helping businesses grow and set the right foundations for the future."

Mediterrania Capital Partners is a private equity firm focused on growth investments for SMEs and mid-cap companies in North Africa and Sub-Saharan countries.

EBRD's commitment follows previous investments in two of Mediterrania Capital Partners' funds: Mediterrania Capital II and Mediterrania Capital III.

Over the past 10 years, the two funds have invested in 15 African SMEs and mid-size companies, delivering aggregated annual revenues of €1.5bn and employing more than 22,000 people.

Across all its investments, Mediterrania Capital Partners takes a highly proactive and hands-on approach to implementing the portfolio companies' growth strategy while leading their ESG processes.

This approach enables portfolio companies to deliver superior EBITDA and revenue growth rates while promoting responsible and sustainable development.

### PE INDUSTRY NEWS

## PAFMA Launched to Foster the Adoption of Alternative Investments

**T**he Pan-African Fund Managers' Association (PAFMA), a new trade association, was launched in Nairobi, Kenya on September 4 during the Africa Climate Summit 2023.

The five founding members of PAFMA are the Pension Fund Operators Association of Nigeria (PENOP); the Fund Managers Association (FMA) in Kenya; the Botswana Investment Professionals Society (BIPS); the Ghana Securities Industry Association (GSIA) and the Investment Management Association of Uganda (IMAU).

These national associations, which between them account for assets under management (AUM) of over \$70bn, have established PAFMA in collaboration with FSD Africa, a specialist development agency working to build and strengthen financial markets across Sub-Saharan Africa.

Oguche Agudah, CEO, PENOP Nigeria, said: "I've always believed that the solutions to Africa's challenges lie within us. We need to come together, commit to collaborate, and speak with one voice. The managers of capital on the continent have a unique opportunity to individually and collectively determine to a large extent the trajectory of the continent. Working together, we can achieve so much more. The time is now."

Mark Napier, CEO, FSD Africa (pictured), said: "We are excited about the establishment of the Pan-African Fund Managers' Association which comes at a timely juncture. This association will be integral for African Fund Management organisations to ensure that they share industry knowledge, manage risks with a continental and international view and drive needed investment in critical sectors such as climate mitigation and adaptation. This African-led initiative is a powerful demonstration

of our shared vision to transform Africa's financial and investments sector landscape."

PAFMA's primary objective is to foster the adoption of alternative investments.

This includes a particular focus on green finance, a pivotal driver for bolstering various sectors of the economy.

By championing these alternative investment avenues, PAFMA seeks to not only stimulate job creation but also enhance income generation.

Among its activities, PAFMA aims to spearhead localised research efforts and initiatives to enhance knowledge sharing and capacity building enabling fund managers to evaluate and make investments in regions and countries where they did not previously have a presence.

Serving as a proactive advocate, PAFMA will also offer policy insights and champion the interests of its members in both regional and international arenas as well as facilitating regular gatherings of fund managers from across Africa.

Patrick Kariuki, Chairman, FMA and Managing Director, Gen Africa Managers, commented: "The Fund Managers Association is very excited to partner with other like-minded Pan-African Fund Manager Associations. Our industry and its future growth depend on vibrant collaboration amongst fund managers across Africa. With PAFMA, fund managers will be able to evaluate and make investments in regions and countries where we did not have sufficient local context. The Fund Managers Association is honoured to be invited to this exciting and very important initiative."

# TraditionData Expands Fixed Income Offering

**T**raditionData, a market data and intelligence division of Compagnie Financière Tradition, has expanded its global fixed income offering, now including data on over 20,000 securities from the bonds.com network.

According to Jim Mahn, Global Head of Product at TraditionData, the firm covers the government bonds of South Africa.

“This is beneficial to investors in Africa because it provides real executable prices for South African Government bonds so they will be able to have accurate price discovery for trades and investments, as well as accurate pricing for their portfolios,” he told Africa Global Funds.

The announcement follows Tradition's acquisition of bonds.com, announced in late 2022.

The aggregate TraditionData universe now provides comprehensive pre-trade data on treasury, corporate and sovereign bonds.

Sourced directly from the institutional trading community - and

encompassing live indicative and executable prices - TraditionData's fixed income offering offers complete and un-aggregated market prices.

TraditionData's clients have access to real time and hourly snap data, with market depth and all associated volumes. Historical data covering up to 15 years has also been made available.

These offerings are particularly timely in the current climate of heightened bond market volatility, Mahn said.

Fixed income pricing data is a fundamental aspect of financial markets - required by participants to make informed decisions, manage risks, and assess trends.

“It is critical that our clients have detailed and transparent insights into global bond pricing data - especially during periods of credit market volatility. That means they need access to executable pricing data throughout the trading day, as well as extensive historical data, to support their decision making and risk management,” Mahn said.

## ASSET SERVICING

# Northern Trust Grows Front Office Solutions Business in EMEA

**N**orthern Trust is strategically expanding the global presence of its Front Office Solutions (FOS) business with the addition of new clients in the EMEA (Europe, Middle East and Africa) region.

Globally, FOS has nearly \$500bn in assets under administration as of July 2023.

The growth into EMEA capitalises on strong momentum achieved by FOS in serving the data and operations needs of sophisticated, multi-asset class institutional investors in the United States.

As large institutional asset owners evolve to support their operational processes with advanced technology, they increasingly seek platforms that can deliver a broad range of functionality across the entire investment lifecycle.

FOS was developed to address the challenges of disparate data sources and manual processes for investment teams. The offering provides a full suite of portfolio analytics, investment analysis, performance measurement and research management tools to empower asset owners to view the bigger picture and break down artificial silos between their front, middle, and back-office functions.

“After significant growth in the U.S. market, we see strong interest among asset owners in EMEA for our Front Office Solutions platform,” said John Turney, Global Head of Front Office Solutions at Northern Trust.

“We have expanded Front Office Solutions to investors in the UK, the Netherlands, the Nordics, the United Arab Emirates and the Kingdom of Saudi Arabia, with plans for further expansion. We are able to leverage Northern Trust's existing global footprint as well as the depth of our expertise supporting institutional investors to service

the EMEA market.”

FOS has recently been selected by three organisations in EMEA with approximately \$75B in assets, ranging from an asset manager to a university endowment and a pension fund. The range of client types engaging with FOS indicates its versatility and ability to provide tailored solutions that meet the specific needs of investment teams.

“We are thrilled to announce our recent success in securing new clients on a global scale,” said James Wright, Head of Asset Owners, EMEA at Northern Trust.

“With this offering, we support our clients' need for access to richer and more timely, granular information on their investments. As FOS continues to grow globally, it is a testament to the increasing demand for our innovative offerings.”

In addition to addressing the technology challenges associated with diverse asset classes, FOS delivers a high-touch service model to provide asset owners a high degree of confidence in their data quality. Further, a dedicated implementation team allows for a seamless onboarding experience to process clients' historical data.

Front Office Solutions offers an integrated, cloud-based investment lifecycle platform that enables investment offices to view and analyse portfolio and investment information across all asset classes in a unified framework.

It serves complex asset owners including foundations, endowments, family offices, pensions and outsourced chief investment officers (OCIOs) with the data they need, in the format they need it, enabling them to make informed decisions and optimise performance.

# Focus & Experience

- 'Fund Administrator of the Decade' and eight-time 'Fund Administrator of the Year', *Private Equity Africa*
- 'Best Fund Administrator Overall - Pan-Africa', *Africa Global Funds*
- Over 20 years operating in Africa
- Supporting clients operating in 45 African countries
- 1,000 staff worldwide providing corporate, fund and fiduciary services
- Privately owned and independent since 1978

Contact our Mauritius team to discover how our global reach, experienced professional personnel and tailored services can make a difference to you and your clients.

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# EIB's Investment Agenda Remains Ambitious

Africa Global Funds' Anna Lyudvig speaks with **Thomas Östros, Vice President of the European Investment Bank** to discuss current initiatives and investments in Africa, as well as EIB's commitment to supporting sustainable development on the continent



**ANNA LYUDVIG (AL):**  
COULD YOU, PLEASE  
TELL US ABOUT THE  
EUROPEAN INVESTMENT  
BANK (EIB) AND ITS CURRENT  
INITIATIVES IN AFRICA?

**THOMAS ÖSTROS (TÖ):** The European Investment Bank is the European Union's bank, owned directly by the 27 EU member states, and the world's largest international public bank. We have been supporting projects that transform lives and enhance economic opportunities across Africa since 1965 and in the last decade provided nearly €32bn for new investment across the continent.

Two years ago in Nairobi we launched our new dedicated development finance arm, EIB Global, to further strengthen our engagement to foster sustainable economic growth, improve essential infrastructure, tackle investment gaps and support social development. Since then we have significantly expanded our presence on the ground in our nine African offices to enable closer cooperation with African and international project promoters, investment partners and financial intermediaries.

The EIB always finances alongside other partners and recognises the unique benefits of backing private equity and venture capital funds, addressing investment gaps and backing private sector investment across the continent.

**AL: COULD YOU ELABORATE ON WHERE IN AFRICA YOU SEE INVESTMENT OPPORTUNITIES OR SHARE SOME RECENT INVESTMENTS THAT THE EIB HAS MADE ON THE CONTINENT?**

**TÖ:** Africa is a continent with immense potential, youthful demographics and growing consumer markets. We see investment opportunities across various sectors, including infrastructure, renewable energy, healthcare, education, and the digital economy.

The EIB works closely with leading African and international investment funds to accelerate high-impact investment in sustainable energy

projects and improve access to energy, clean transport, digitalisation and fintech, agriculture, health, and education.

Investment funds are not only identifying commercial investment opportunities, but also mobilising global capital, and driving innovation such as using credit export guarantees to mitigate investor risk, and unlock investment in sectors that yield high returns.

We have seen how private equity in Africa is bolstering impact investment by providing vital capital and expertise to businesses focused on social and environmental outcomes. It enables sustainable growth in sectors like healthcare, fintech, and renewable energy, aligning financial returns with positive societal impacts.

Private equity's strategic investments drive advancements in critical sectors. In healthcare, it improves access to quality services; in fintech, it fosters financial inclusion; and in renewable energy, it promotes sustainable development. Private equity's risk appetite and long-term perspective are catalysts for these advancements.

**AL: WHAT'S YOUR VIEW ON AFRICA AS AN INVESTMENT DESTINATION, AND WHAT MAKES IT ATTRACTIVE FOR THE EIB?**

**TÖ:** Africa is highly attractive for several reasons. First and foremost, the continent has a young and dynamic population, which presents a tremendous labor force and consumer market potential. Secondly, as demonstrated by the success of Africa's first climate summit in Nairobi this year, there is a growing emphasis on scaling up investment that delivers sustainability and green development in Africa. This aligns with the EIB's own mission to support projects that are environmentally friendly and socially inclusive. Lastly, Africa's economic growth potential is evident, and through EIB Global we want to be part of this journey by providing not just financing but also technical, environmental and social expertise.

Collaboration between development finance institutions and private equity firms is pivotal. Together, they provide seed capital, de-risk investments, and offer technical assistance. This synergy attracts private investors to priority sectors, fostering sustainable growth and addressing Africa's developmental challenges effectively.

## “We are excited about our continued support for renewable energy projects, including green hydrogen, as clean energy is crucial both for Africa's sustainable development and addressing climate change

- Thomas Östros, Vice President of the European Investment Bank



### **AL: HOWEVER, THERE ARE OFTEN CHALLENGES ASSOCIATED WITH INVESTING IN EMERGING MARKETS LIKE AFRICA. WHAT ARE THE CHALLENGES THAT YOU EXPERIENCE AS AN INVESTOR IN AFRICA?**

**TÖ:** Indeed, investing in Africa does come with its set of challenges. Some of the key challenges include political and regulatory risks, varying levels of infrastructure development, and access to financing. These challenges can create uncertainty for investors. Therefore, we work closely with our African partners to address these issues through dialogue, technical assistance, and risk mitigation measures to ensure the success of our projects. We work closely with partners to provide guarantees to reduce political risk and blend grant financing with EIB loans to reduce the cost of financing.

The recent coups across Africa clearly concern the investment community, but investment opportunities and priorities remain.

### **AL: IT'S CRUCIAL TO ADDRESS THESE CHALLENGES TO FACILITATE SUSTAINABLE INVESTMENTS. WHAT'S ON YOUR INVESTMENT AGENDA FOR THE NEAR FUTURE, AND WHAT CAN WE EXPECT FROM THE EIB THIS YEAR?**

**TÖ:** The EIB's investment agenda for the near future remains ambitious. We plan to continue supporting projects that promote sustainable development and economic resilience in Africa. Specifically, we aim to invest in renewable energy projects, digital infrastructure, and initiatives that enhance education and healthcare access. This year, you can expect to see more partnerships with African governments, financial institutions, and the private sector as we work together to unlock Africa's potential and address pressing challenges.

At the Africa Climate Summit I confirmed the EIB's USD million commitment to Spark Energy Services, an innovative financing platform supporting energy efficiency and captive solar initiatives in Sub-Saharan Africa's commercial and industrial sector.

The visionary engagement mobilises private capital to accelerate business-led climate investment. Spark will ensure that African industry and business can accelerate investment to cut energy bills,

harness renewable energy and reduce carbon emissions is crucial for delivering climate action.

### **AL: THAT SOUNDS PROMISING. CAN YOU SHARE ANY SPECIFIC INITIATIVES OR PROJECTS THAT THE EIB IS PARTICULARLY EXCITED ABOUT IN AFRICA?**

**TÖ:** EIB Global, the European Commission and Team Europe are strengthening cooperation with African investment partners under the Global Gateway initiative. This seeks to overcome investment gaps and accelerate investment in digital innovation, green energy and transport, healthcare and education. This is expected to mobilise EUR 150 billion of new investment across Africa, including by fund partners.

Additionally, we are excited about our continued support for renewable energy projects, including green hydrogen, as clean energy is crucial both for Africa's sustainable development and addressing climate change.

### **AL: THOSE INITIATIVES ARE UNDOUBTEDLY SIGNIFICANT FOR AFRICA'S DEVELOPMENT. IN CLOSING, CAN YOU SHARE ANY FINAL THOUGHTS OR MESSAGES REGARDING THE EIB'S COMMITMENT TO AFRICA?**

**TÖ:** I would like to emphasize our unwavering commitment to Africa. As I highlighted in discussions with African and international political, business and financial leaders at the African Climate Summit and in recent visits across the continent the EIB sees Africa as a crucial partner in achieving global sustainable development goals, and we are dedicated to fostering economic growth, creating jobs, and improving the quality of life for the people of Africa.

We believe that our long-standing expertise and financial resources can contribute significantly to Africa's journey toward prosperity, and we are excited about the opportunities that lie ahead.

### **AL: THANK YOU!**

# Strategizing Exits in the African PE Market



Initial Public Offering (IPO), Sale to Strategic Buyers, Secondary Market or Management Buyout (MBO) - each of these strategies has its own advantages and considerations, and PE firms seeking to deliver superior returns must choose the one that aligns best with their investment goals and the specific circumstances of the portfolio company, writes **Albert Alsina, Founder and CEO, Mediterrania Capital Partners**

**T**he African Private Equity and Venture Capital Association (AVCA)'s latest annual study reports an encouraging trend - the

continent witnessed a total of 82 exits in

the previous year, nearly double the average from 2012 to 2019. However, despite the recent rise in the number of exits, the pan-regional analysis shows that there is still a notable portion of PE activity in Africa that does not provide enough liquidity to investors. In order to understand this dichotomy, we must differentiate between the experiences of venture capital funds, first-time funds and other funds investing in African Small and Medium-sized Enterprises (SMEs), and the performance of the mid-cap and large-cap funds.

Equipped with extensive and diverse teams boasting deep expertise across various geographies and industries, mid- and large-cap funds are able to design the most appropriate exit paths regardless of their complexity. This expertise usually translates into successful liquidity events and the attainment of remarkable exits.

**At Mediterrania Capital Partners, we experienced a remarkable year in 2022 with seven successful exits: two Initial Public Offerings (IPOs), one sale to a strategic buyer, two secondary sales and two management buyouts (MBOs).**

This was an exceptional achievement driven by several factors. The Covid-19 pandemic disrupted divestment processes, causing a 2-year period marked by limited liquidity events. As the pandemic waned, it left behind a reservoir of contained liquidity in the market, forming a uniquely fertile ground for exits. After more than a decade doing investments in Africa, we have built a robust divestment approach, which involves a proactive evaluation of potential exit strategies even before the ink dries on our investments. During the challenging 2-year pandemic-induced lull, we maintained daily discussions around exit possibilities. As a result, when business conditions eventually returned to normal, we were already poised to act, with the initial groundwork having been meticulously laid.

In 2022, we executed **two IPOs in the Casablanca Stock Exchange (CSE)**, one of them becoming the largest IPO at the CSE since 2008. Both IPOs were oversubscribed several times, experienced post-IPO stock value growth – outperforming the market – and generated strong returns to

our investors. For a PE firm to deliver successful IPO exits, having a local presence with a solid understanding of the markets and the ability to liaise directly with the local regulator, the institutional investors, the investment banking community and the banks as well as other key players is crucial. Both companies had achieved extraordinary growth rates during Mediterrania's tenure, and the IPO results vividly mirrored the overwhelming appeal they held for investors.

Regarding **strategic sales**, Africa, with its growing population and ongoing economic reforms boosting investment in technology and infrastructure, is more and more becoming a promising frontier for mid- and large companies looking to expand. In our case, the strategic buyer placed a premium on a PE-backed company, acknowledging its exceptional management, firm commitment to governance, and its robust value creation and ESG processes. This recognition proved to be a significant advantage in our favor.

Although the **Secondary Market** is not as widespread in Africa compared to other regions, it presents untapped growth opportunities. The private equity investor who acquired our portfolio company sought to create a specialized platform in the African market, and acquiring a well-managed company propelled them swiftly to the forefront of their industry.

Lastly, **MBOs** serve as a robust exit strategy for smaller companies, especially when the private equity firm maintains a majority stake, a scenario observed in two of our portfolio companies. The combination of lower cash demands and readily available local financing renders MBOs an exceptionally fitting choice for such enterprises.

These four exit strategies offer unique advantages, and the path to success lies in wisely aligning them with the PE firm investment objectives and the portfolio company specifics.

Experienced firms equipped with a robust local presence, meticulous execution of value creation and ESG processes, and proactive exit planning are best positioned to make profitable exits a tangible and attainable reality in Africa.

Looking ahead, as Africa's markets mature and key sectors such as fintech, retail, renewable energy and healthcare continue to grow, opportunities for profitable exits are expected to increase. In parallel, the steady evolution of IPO ecosystems and a more stable and investor-friendly regulatory environment are positive indicators for the future of exits on the continent.

## About Mediterrania Capital Partners

Mediterrania Capital Partners is a Private Equity firm focusing on mid-cap investments in Africa. Headquartered in Malta and with offices in Abidjan, Barcelona, Cairo, Casablanca and Mauritius, the firm invests in consolidated and growing companies with an annual turnover of €20 million to €300 million and expansion strategies into North and Sub-Saharan African markets. Mediterrania is currently fundraising for its fund MC IV. [www.mcapitalp.com](http://www.mcapitalp.com)



# LOLC Africa Receives Funding from Verdant Capital Hybrid Fund

Verdant Capital Hybrid Fund has invested USD 9 million in LOLC Africa, promoting financial inclusion and job creation through the financing of Micro, Small and Medium Enterprises (MSMEs) in Africa

By: Verdant Capital

**L** OLC, which was founded in 1980 in Sri Lanka, made a strategic decision to enter Africa in 2018 and is now operating in ten African countries. In July 2023, Verdant Capital Hybrid Fund (the “Fund”) completed its USD 9 million investment, structured as a holding company loan in LOLC Africa Singapore (“**LOLC Africa**”) and being invested in its lending subsidiaries in Zambia, Egypt, Kenya, Tanzania, Nigeria, Malawi, Rwanda, Zimbabwe, Ghana, and the Democratic Republic of Congo. This investment benefits from credit enhancements through a parent guarantee and geographical diversification. Credit enhancements have been a feature of all Verdant Capital Hybrid Fund’s investments to date.

Verdant Capital Hybrid Fund is the first external investor in LOLC’s Africa operation, testament to the Fund’s catalytic mission. The investment will help expand LOLC Africa’s footprint of micro, small and medium enterprises (MSMEs) financing through a range of responsible financing products in Africa. In addition, LOLC Africa is expected to

benefit from initiatives supported by the Fund’s technical assistance facility. Each of Verdant Capital Hybrid Fund’s investments to date have been similarly catalytic.

LOLC is one of the best performing global microfinance groups, and the investment is in-line with the Fund’s strategy of picking the top performer of each theme or category. Prior to each investment, Verdant Capital conducts a deep dive on specific themes and sub-sectors and completes its investment after a forced-ranking process. LOLC’s business model is targeting the “bottom of the pyramid”, including increasing access to MSME financing and customer deposits, thereby driving LOLC’s financial inclusion goal.

LOLC is a signatory to the United Nation Global Compact (UNGC) strategic policy initiative which seeks to promote sustainable and responsible businesses in the world. LOLC has undertaken numerous initiatives for community development and environmental protection.

## VERDANT CAPITAL HYBRID FUND’S PORTFOLIO COMPANY: LOLC AFRICA THE CHALLENGE

Africa is facing a serious challenge in the MSME sector with its financing gap being the highest in the developing world. These MSMEs are often underserved by traditional microfinance institutions. This creates a huge MSME credit demand which has consistently remained unmet, and this is the challenge LOLC Africa is addressing, with the support from the Fund.

### THE SOLUTION

Aligned with Verdant Capital Hybrid Fund’s social impact mandate,

the investment in LOLC Africa provides more funding to support and expand lending activities of its existing lending subsidiaries in Africa, which are mainly targeted at MSME financing.

### THE IMPACT

LOLC Africa’s primary focus on MSME lending is not only about pursuing its commercial ambition but doing so in a sustainable and socially responsible manner to deliver tangible benefits to those communities at the bottom of the pyramid thereby creating financial inclusion, job creation, income generation, and economic growth. LOLC is aligned to the fundamentals of Client Protection.



**Verdant Capital Hybrid Fund** is investing hybrid capital instruments into inclusive financial institutions on a pan-African basis. The Fund is targeting a commercial return, and a developmental impact by supporting financial institutions which in turn support SMEs and micro-entrepreneurs, thereby creating jobs and livelihoods. The Fund has committed capital of USD 36 million following its first closing in December 2021 of which USD 23 million has been deployed, and is targeting USD 100 million by its final closing before the end of 2024. While the Fund is denominated in US Dollars it has the flexibility to invest in most local currencies and in Euros.

The Fund has a strong focus on digitally enabled inclusive financial institutions. A strong focus will be to ensure that the investments comply with high environmental and social standards. The Fund has the flexibility to invest in a full range of hybrid instruments,

including preference shares, holding company debt and subordinated debt. For deposit-taking institutions, the Fund is investing instruments that qualify for Additional Tier 1 or Tier 2 capital treatment. Hybrid capital provides an effective intermediate capital tier that can be leveraged by local and international senior debt investors thereby “crowding in” other sources of capital. The Fund is investing in North Africa, West Africa, East African and Southern Africa including South Africa and across both Anglophone, Francophone and Lusophone countries. The Fund is accompanied by a USD 4.5 million technical assistance facility which will support the strengthening of operational and organisational capacity at investee institutions and forms an important part of the Fund’s post-investment value add strategy. The anchor investor is KfW Development Bank.

For more information visit: [www.verdant-cap.com](http://www.verdant-cap.com)

# AFRICAN MARKETS PERFORMANCE

## AFRICA SOVEREIGN BOND INDICES (TOTAL RETURNS USD %)

| Country          | August | 3-Month | 1-Year  |
|------------------|--------|---------|---------|
| Botswana         | -2.70% | 3.78%   | -0.73%  |
| Egypt            | 1.35%  | 5.35%   | -31.09% |
| Ghana            | 1.31%  | 4.38%   | -41.78% |
| Kenya            | -2.41% | -7.16%  | -13.57% |
| Mauritius        | 3.23%  | 7.61%   | 5.14%   |
| Morocco          | -2.82% | 3.04%   | -1.42%  |
| Namibia          | -4.73% | 13.82%  | 5.31%   |
| S&P/FMDQ Nigeria | -6.92% | -37.57% | -39.85% |
| South Africa     | -6.31% | 11.73%  | -3.44%  |
| Tanzania         | -1.32% | -3.65%  | -0.80%  |
| Uganda           | -4.33% | 5.42%   | 22.72%  |
| Zambia           | -4.03% | 2.47%   | -1.60%  |

Source: S&P Dow Jones Indices

## AFRICA EQUITY INDICES (BMI GROSS TOTAL RETURNS USD %)

| Country       | August  | 3-Month | 1-Year  |
|---------------|---------|---------|---------|
| Botswana      | 1.64%   | 11.43%  | 18.17%  |
| Cote d'Ivoire | -1.05%  | 11.78%  | 15.54%  |
| Egypt         | 9.73%   | 9.38%   | 26.78%  |
| Ghana         | 5.25%   | 21.71%  | 7.34%   |
| Kenya         | -8.71%  | -9.12%  | -34.56% |
| Malawi        | 9.11%   | 25.28%  | 245.66% |
| Mauritius     | 2.57%   | 5.48%   | 2.33%   |
| Morocco       | -4.22%  | 12.05%  | 5.79%   |
| Namibia       | -5.41%  | 16.77%  | 59.09%  |
| Nigeria       | -2.45%  | -26.28% | -7.21%  |
| Rwanda        | -1.09%  | 1.85%   | -0.67%  |
| South Africa  | -11.01% | 9.58%   | -0.33%  |
| Tanzania      | -0.19%  | -2.68%  | 4.60%   |
| Tunisia       | -1.95%  | 2.61%   | 10.88%  |
| Uganda        | -0.77%  | -3.57%  | 36.12%  |
| Zambia        | -5.60%  | -3.10%  | 2.41%   |

Source: S&P Dow Jones Indices

## MONTHLY FOCUS:

### Exchange Rate (bid) vs US Dollar

Source: Refinitiv

| Country                 | USD      | 1 month ago | 52 weeks ago | Country            | USD      | 1 month ago | 52 weeks ago |
|-------------------------|----------|-------------|--------------|--------------------|----------|-------------|--------------|
|                         | 14-Sep   | % change    |              |                    | 14-Sep   | % change    |              |
| Algerian Dinar          | 137.10   | -1.38       | 2.20         | Mauritian Rupee    | 44.80    | 0.86        | 0.44         |
| Angolan Kwanza          | 834.50   | -0.60       | -98.69       | Moroccan Dirham    | 10.16    | -2.83       | 5.71         |
| Botswana Pula           | 13.60    | -16.31      | -4.69        | Mozambican Metical | 63.83    | -0.96       | -0.93        |
| CFA Franc (Central Afr) | 613.28   | -1.97       | 6.66         | Nigerian Naira     | 768.19   | -1.21       | -79.56       |
| CFA Franc (West Afr)    | 610.50   | 0.08        | 5.17         | Rwandan Franc      | 1,195.55 | -1.94       | -16.33       |
| DRC Franc               | 2,481.00 | -0.45       | -23.49       | Seychelles Rupee   | 13.08    | 2.44        | 1.00         |
| Egypt Pound             | 30.90    | -0.16       | -59.94       | S Africa Rand Area | 18.81    | 1.67        | -7.67        |
| Ethiopia Birr           | 55.28    | -0.66       | -5.25        | Sudan Pound        | 600.02   | -0.04       | -6.19        |
| Ghana Cedi              | 11.45    | -4.09       | -15.42       | Tanzanian Shilling | 2,505.00 | -0.20       | -7.74        |
| Kenya Shilling          | 146.70   | -2.02       | -21.95       | Tunisian Dinar     | 3.14     | -1.63       | 2.17         |
| Libya Dinar             | 4.85     | -1.01       | 1.21         | Ugandan Shilling   | 3,720.00 | 0.00        | 2.36         |
| Malawi Kwacha           | 1,089.88 | -1.49       | -8.00        | Zambian Kwacha     | 21.11    | -8.84       | -35.73       |

# PRIVATE EQUITY FUNDS & DEALS

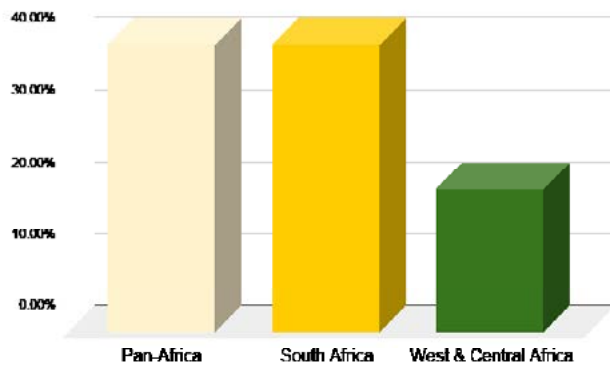
(as of 31st August 2023)

## DEALS

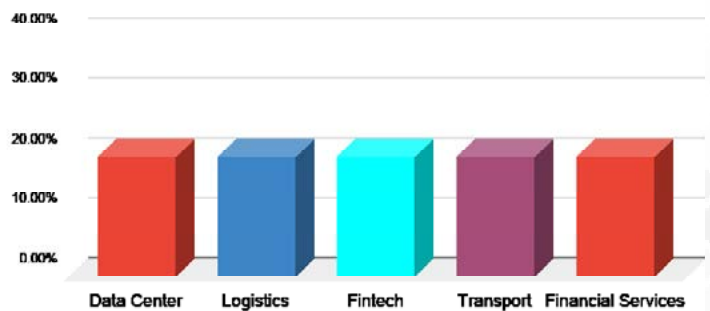
For more information on each transaction, visit Africa Global Funds's website

| Company                                    | Investment          | Industry           | Country               | Deal Type     | Deal Value  |
|--|---------------------|--------------------|-----------------------|---------------|-------------|
| African Infrastructure Investment Managers | N+ONE DATACENTERS   | Data Center        | Pan-Africa            | Growth Equity | \$90m       |
| A.P. Moller Capital                        | Vector Logistics    | Logistics          | South Africa          | Buyout        | Undisclosed |
| Mubadala Investment Company // Blackrock   | Moove               | Fintech            | Pan-Africa            | Debt & Equity | \$76m       |
| Triodos Investment Management              | Bridge Taxi Finance | Transport          | South Africa          | Loan          | \$10m       |
| Vista Group                                | Oragroup S.A        | Financial Services | West & Central Africa | Buyout        | Undisclosed |

## DEALS BY COUNTRY



## DEALS BY INDUSTRY



## EXITS

| Company                                    | Divestment   | Industry           | Geography             | Buyer (s)   | Nature of exit |
|--|--------------|--------------------|-----------------------|-------------|----------------|
| ECP, BIO, DEG, Proparco and Envol Afrique. | Oragroup S.A | Financial Services | West & Central Africa | Vista Group | Trade          |

## FUNDRAISING

| Company | Fund | Geography | Style | Sectors | First Close | Target | Date Announced |
|---------|------|-----------|-------|---------|-------------|--------|----------------|
| n/a     |      |           |       |         |             |        |                |

Source: AGF

| YTD (%)   | 1 Month | 1 Year | 3 Year | 5 Year | AUM (\$m)      | Strategy                   | Focus                   | Domicile    | Type       | Start |
|---|---------|--------|--------|--------|----------------|----------------------------|-------------------------|-------------|------------|-------|
| <b>337 Frontier Capital - Kimberlite Frontier Africa Fund (as-of 2023-08-31)</b>          |         |        |        |        |                |                            |                         |             |            |       |
| 10.37   | -1.78   | 12.54  | 9.09   | -3.08  |                | Equity                     | Africa ex-SA            | Cayman Isl. | Open-End   | 06/14 |
| <b>African Domestic Bond Fund (as-of 2023-07-31)</b>                                      |         |        |        |        |                |                            |                         |             |            |       |
|   | 2.8     | -13.6  | -13.9  |        |                | ETF - local<br>currency FI | African region          | Mauritius   | Open-End   | 9/18  |
| <b>African Lions Fund (as-of 2023-08-31)</b>  |         |        |        |        |                |                            |                         |             |            |       |
| 4.11  | -1.96   | 2.51   |        |        | 20.76 (08/23)  | Equity                     | SSA ex-SA               | BVI         | Open-End   | 10/20 |
| <b>Allan Gray Africa Bond Fund (as-of 2023-08-31)</b>                                     |         |        |        |        |                |                            |                         |             |            |       |
| 4.6   | -5.4    | 8.3    | 1.1    | 3.2    | 280.00 (08/23) | Fixed Income               | Africa ex-SA            | Bermuda     | Open-End   | 3/13  |
| <b>Allan Gray Africa ex-SA Equity Fund (as-of 2023-08-31)</b>                             |         |        |        |        |                |                            |                         |             |            |       |
| 0.85  | 0.07    | 5.36   | 10.74  | 0.06   | 406.00 (08/23) | Equity                     | Africa ex-SA            | Bermuda     | Open-End   | 1/12  |
| <b>Alquity Africa Fund (as-of 2023-09-14)</b>   |         |        |        |        |                |                            |                         |             |            |       |
| -7.27   | 0.78    | -12.24 | -4.27  | -4.5   | 3.03 (07/23)   | Equity                     | African region          | Luxembourg  | SICAV      | 6/10  |
| <b>Bellevue Funds Lux - BB African Opportunities (as-of 2023-08-18)</b>                   |         |        |        |        |                |                            |                         |             |            |       |
| 0.57  | -2.78   | -8.94  | -2.87  | -3.76  | 45.64 (07/23)  | Equity                     | African region          | Luxembourg  | SICAV      | 6/09  |
| <b>Commonwealth Africa Fund (as-of 2023-09-14)</b>  |         |        |        |        |                |                            |                         |             |            |       |
| -9.57   | -10.04  | -7.73  | 7.44   | -2.36  | 2.95 (08/23)   | Equity                     | African region          | USA         | Open-End   | 11/11 |
| <b>Coronation Africa Frontiers Fund (as-of 2023-08-31)</b>                                |         |        |        |        |                |                            |                         |             |            |       |
| 2.73  | -4.57   | 6.64   | 5.73   | -3.29  | 264.68 (07/23) | Equity                     | Africa ex-SA            | Ireland     | Unit Trust | 10/08 |
| <b>DWS Invest Africa (as-of 2023-09-14)</b>   |         |        |        |        |                |                            |                         |             |            |       |
| -6.08   | -1.73   | -14.09 | -0.81  | -3.29  | 24.41 (08/23)  | Equity                     | African region          | Luxembourg  | SICAV      | 07/08 |
| <b>EFG-Hermes MEDA Fund (as-of 2023-09-14)</b>  |         |        |        |        |                |                            |                         |             |            |       |
| 8.12  | 0.71    | -3.19  | 29     | 15.31  |                | Equity                     | Africa & Middle<br>East | Bermuda     | Open-End   | 12/11 |
| <b>Emerging Africa Bond Fund (as-of 2023-07-31)</b>                                       |         |        |        |        |                |                            |                         |             |            |       |
| 2.1   |         |        |        |        | 1.66 (07/23)   | Fixed Income               | African region          | Mauritius   | Open-End   | 09/16 |
| <b>Enko Africa Debt Fund (as-of 2023-07-31)</b>   |         |        |        |        |                |                            |                         |             |            |       |
| 10.67   | 3.38    | 41.36  | 8.46   | 14.53  | 579.80 (07/23) | Fixed Income               | Africa ex-SA            | Mauritius   | Open-End   | 10/16 |
| <b>Fidelity Funds - Emerging Europe, Middle East and Africa Fund A (as-of 2023-09-14)</b> |         |        |        |        |                |                            |                         |             |            |       |
| 6.04  | -1.31   | 1.81   | -9.18  | -4.31  | 224.21 (08/23) | Equity                     | EMEA                    | Luxembourg  | SICAV      | 06/07 |
| <b>Imara Africa Fund (as-of 2023-08-31)</b>   |         |        |        |        |                |                            |                         |             |            |       |
| -10.86  | -9.46   | -10.64 | -5.5   | -6.04  |                | Equity                     | African region          | Cayman Isl. | Open-End   | 04/09 |
| <b>Imara African Opportunities Fund (as-of 2023-08-31)</b>                                |         |        |        |        |                |                            |                         |             |            |       |
| -9.64   | -4.65   | -9.07  | -8.06  | -9.65  |                | Equity                     | African region          | BVI         | Open-End   | 6/05  |

**DISCLAIMER:** All data is provided "as is" for your information and personal use only, and is not intended for trading purposes or advice.

| YTD (%)   | 1 Month | 1 Year | 3 Year | 5 Year | AUM (\$m)      | Strategy     | Focus          | Domicile       | Type     | Start |
|---|---------|--------|--------|--------|----------------|--------------|----------------|----------------|----------|-------|
| <b>JPMorgan Funds - Africa Equity Fund (A) (as-of 2023-08-31)</b>           |         |        |        |        |                |              |                |                |          |       |
| -2.44   | -8.38   | -5     | -4.46  | -4.34  | 93.42 (09/23)  | Equity       | African region | Luxembourg     | SICAV    | 5/08  |
| <b>Laurium Limpopo Master Fund (as-of 2023-08-31)</b>                       |         |        |        |        |                |              |                |                |          |       |
| 4.17  | -1.86   | 9.95   | 0.06   | -3.67  | 153.70 (08/23) | Equity       | Africa ex-SA   | Cayman Isl.    | Open-End | 01/14 |
| <b>Mazi Capital Africa Fund (as-of 2023-08-31)</b>                          |         |        |        |        |                |              |                |                |          |       |
| -7.24   | 1.04    | -7.28  | -4.22  | -6.41  |                | Equity       | Africa ex-SA   | South Africa   | Open-End | 01/16 |
| <b>MCB Africa Bond Fund (as-of 2023-07-31)</b>                              |         |        |        |        |                |              |                |                |          |       |
|   | 2.1     | -15.3  | -18    | -4.3   |                | Fixed Income | African region | Mauritius      | Open-End | 2/14  |
| <b>Ninety One Premier - Africa Fund A (as-of 2023-08-31)</b>                |         |        |        |        |                |              |                |                |          |       |
| 11.18   | -2.29   | 4.52   | -25.52 | -18.47 | 0.62 (07/23)   | Equity       | African region | Guernsey       | Open-End | 01/07 |
| <b>Old Mutual African Frontiers Flexible Income Fund (as-of 2023-09-14)</b> |         |        |        |        |                |              |                |                |          |       |
| 3.48  | -1.6    | 0.68   |        |        | 19.97 (08/23)  | Fixed Income | African region | Ireland        | OEIC     | 05/22 |
| <b>Old Mutual African Frontiers Fund (as-of 2023-08-31)</b>                 |         |        |        |        |                |              |                |                |          |       |
| 4.43  | -4.74   | 2.07   | -0.18  | -2.26  | 289.94 (07/23) | Equity       | Africa ex-SA   | Ireland        | Open-End | 5/10  |
| <b>Optis African Frontier Fund (as-of 2023-07-31)</b>                       |         |        |        |        |                |              |                |                |          |       |
| -4.77   | -5.57   | -3.71  | -10.14 |        | 18.29 (07/23)  | Equity       | African region | BVI            | Open-End | 8/09  |
| <b>Robeco Afrika (as-of 2023-05-31)</b>                                     |         |        |        |        |                |              |                |                |          |       |
| -6.47   | -3.01   | -12.1  | 9.32   | -3.07  | 21.90 (05/23)  | Equity       | African region | Netherlands    | Open-End | 6/08  |
| <b>Sanlam Africa Equity Fund (as-of 2023-08-31)</b>                         |         |        |        |        |                |              |                |                |          |       |
| -4.34   | -9.59   | -1.21  | 5.05   | -1.18  |                | Equity       | Africa ex-SA   | Ireland        | Open-End | 07/15 |
| <b>Sanlam Centre Africa Equity Fund (as-of 2023-08-31)</b>                  |         |        |        |        |                |              |                |                |          |       |
| -4.23   | -0.23   | -2.2   |        |        | 56.51 (08/23)  | Equity       | Africa ex-SA   | Cayman Islands | Open-End | 05/19 |
| <b>Steyn Capital Africa Fund (as-of 2023-08-31)</b>                         |         |        |        |        |                |              |                |                |          |       |
| 9.43  | -3.2    | 13.41  | 16.52  | -1.28  | 165.00 (08/23) | Equity       | Africa ex-SA   | Malta          | SICAV    | 09/11 |
| <b>Sustainable Capital Africa Alpha Fund (as-of 2023-08-31)</b>             |         |        |        |        |                |              |                |                |          |       |
| 3.29  | -0.47   | 2.65   | 6.73   | -1.16  |                | Equity       | Africa ex-SA   | Mauritius      | Open-End | 02/12 |
| <b>TCM Africa High Dividend Equity (as-of 2023-08-31)</b>                   |         |        |        |        |                |              |                |                |          |       |
| -3.21   | 1.22    | -5.71  | -1.35  | -6.57  |                | Equity       | Africa ex-SA   | Holland        | Open-End | 03/08 |
| <b>T. Rowe Price Africa &amp; Middle East Fund (as-of 2023-08-31)</b>       |         |        |        |        |                |              |                |                |          |       |
| 5.14  | -5.37   | -1.88  | 14.87  | 5.11   | 98.23 (08/23)  | Equity       | MENA & SSA     | United States  | Open-End | 10/11 |

# SUPPORTING WOMEN-OWNED SMEs to Drive Growth

By: Africa Global Funds



**Janice Johnston,**  
Chief Executive  
**Edge Growth's Ventures**

**W**omen constitute a significant portion of the population and their participation in the economy through SMEs contribute to South Africa's overall economic growth. "Women-owned businesses that thrive can generate employment opportunities, can create new markets and stimulate local economies, especially as many of these businesses are community based," new Chief Executive of Edge Growth's Ventures business, Janice Johnston, says.

Women-owned businesses contribute to empowerment and gender equality, and provide women with opportunities to participate in economic activities on an equal footing as businesses owners, rather than solely being employees.

"We also find that women owned SMEs have a strong drive towards innovation and problem solving, with these women often coming with slightly different perspectives, which bring unique insights and experiences to businesses," she says.

This, she says, can lead to new product development and business models. "I think we also cannot underestimate the social and cultural impact that women in SMEs can have in terms of influencing social norms and cultural attitudes. Successful women entrepreneurs become role models, inspire those around them and can be a strong force for change to persuade girls to follow their entrepreneurial aspirations, really challenging traditional gender roles in society," Johnston says.

The resilience and sustainability of an economy requires a broad range of participation and so, by having more women-led businesses, this can create a more robust economy that can withstand economic shocks and contribute to a more balanced and stable environment for all.

According to the 2022 **Mastercard Women Entrepreneurs Index** (MIWE), **South Africa** is one of only 12 economies globally from the 65 countries assessed, where women's entrepreneurial activity rates have increased, with 11.1% of working-age women engaged in early-stage entrepreneurial activities. South Africa is ranked 44th out of these countries globally, with 21.9% of all businesses owned by women in 2021 versus 21.1% in 2020,

While this growth in female entrepreneurship is likely stimulated by an increase in female necessity-driven entrepreneurship, women's advancement still remains impeded by less supportive entrepreneurial conditions compared to other global economies.

Johnston concurs with these findings and says that many smaller scale operations are started by women because of a lack of other opportunities to earn a livelihood. Many of these types of businesses have more challenges when it comes to access to finance and growth

opportunities, especially in terms of capital resources and the types of business models that they are working with.

"If we want to expand the reach and the overall productivity of these particular businesses, we need to do more to support them. This includes reducing their risk profile to enhance their access to finance, and to provide them with the support and business development opportunities that they would need in order to take their businesses to the next level," she says.

Johnston says that there is also still a gender stereotype and bias deeply rooted in society, and this makes it more difficult for women entrepreneurs, who often face scepticism and difficulty to assert themselves from a credibility perspective beyond a certain scale. Here, networking and mentoring opportunities can enhance their ability to grow within the business environment.

Johnston is the Chairperson of 100 Women in Finance in South Africa, a global organisation committed to gender equity in finance by promoting diversity, raising visibility, and empowering women to find their personal path to success.

"You can't be it if you can't see it," which is often quoted within the organisation, is exactly why we need to better recognise and showcase various successful women-owned SMEs in order to drive growth in this sector," she says.

"We also need to provide access to mentorship and guidance for women who are at an earlier stage of their business journeys," she adds.

For a relatively small operation that needs to become more sustainable, there are a plethora of online tools and resources to get women business owners one step further. There are also many incubator and accelerator programmes available in South Africa that could assist these businesses into the next phase of development.

"It's about taking responsibility and accountability that being a business owner is different to just providing a product. This is the shift in mindset that is needed. It is also vital to have a very clear understanding of your unique selling point," she says.

Similarly, for a more scalable business looking to attract venture capital, many of the same fundamental questions apply, as well as having the right team and complimentary skills set to ensure a viable and credible business model that is able to scale across markets and products.

"While social justice and gender equality are vitally important, one can't underestimate the strategic economic imperative of having more women owned SMEs to drive economic growth, innovation and transformation, for a more inclusive and prosperous future," Johnston concludes.

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