

AfricaGrow

THE FUND

The AfricaGrow Fund is designed as a fund of funds for promoting small and medium-sized enterprises (SMEs) and start-ups primarily in countries associated with the G20 Compact with Africa (CwA). The AfricaGrow Fund aims to have a catalytic effect on the emerging and dynamic SME and start-up ecosystem and thus promote jobs and income across the CwA countries. The objective is to help these countries attract private investment along with technical and financial assistance, in return for reforms that improve the business climate, e.g. fighting corruption or improving good governance.

WHAT IS THE INTENDED IMPACT OF AFRICAGROW?

Acting as a strong and reliable anchor investor, the Fund will allow partnering venture capital (VC) or private equity (PE) funds to raise private capital more easily. To this end, the AfricaGrow Fund will be set up as a structured fund. KfW, on behalf of the German Ministry for Economic Cooperation and Development (BMZ), will provide a first-loss tranche on the fund-of-fund level. It is expected that this will leverage additional funding by DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH as anchor investor and other investors for the emerging African VC and PE financing sector.

WHO WILL BENEFIT FROM THE FUND?

The fund is designed to address the financing needs of SMEs across multiple industrial sectors and technology-based start-ups (e.g. FinTech, off-grid, AgTech, EdTech, HealthTech, mobility, e-commerce), especially those that pursue innovative business models (e.g. pay as you go) and have strong growth potential and a clear focus on exports, including cluster-based growth models. It will also provide funding for technical support in building managerial capacities.

COOPERATION

The AfricaGrow Fund will work with Pan-African regional and country-specific funds with proven track records and capacities, primarily in CwA countries. These are: Benin, Burkina Faso, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo and Tunisia. Generally, the AfricaGrow Fund will invest in market-oriented funds with a strong private-sector approach.

Do you have any questions? We will be happy to advise you.

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On behalf of



Federal Ministry
for Economic Cooperation
and Development

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