



**African Development Bank**

**Private Sector Operations**

# **AFRICINVEST FUND III**

## Project Brief

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**DATE OF APPROVAL:** May 2015

<b>COUNTRY</b>	Multinational
<b>PROJECT NAME</b>	AFRICINVEST FUND III
<b>SECTOR</b>	Generalist Fund
<b>AfDB CONTRIBUTION</b>	Equity investment of EUR 20 mln and a seat on the Fund's Advisory Committee (AC).
<b>PROJECT DESCRIPTION</b>	<p>AFIII ("Fund") is the successor Fund to AfricInvest II (AF II) in which the Bank committed EUR 20 mln in 2009. AFIII is proposing an identical investment strategy as AF II: provide growth capital to high potential mid-size companies in Sub-Saharan Africa (SSA) strategically positioned to become dominant national or regional market leaders. The Fund will build on the milestones of AFI and AFII, investing in the sectors of manufacturing, agribusiness, financial services, energy, healthcare, education and consumer goods in SSA. To align with the growth in the market, the Fund is targeting a capitalization of EUR 200 mln vs. the EUR 142 mln capitalization of Fund II. Ticket size per investment will be between EUR 5 and 20 mln for minority to majority shareholdings.</p>
<b>PROJECT BENEFITS</b>	<p>The main development outcome stemming from the Fund is the provision of growth capital to mid-sized companies (revenue EUR 10-70mln) especially in SSA, backbones of Africa's commercial and industrial structure, which yet typically shows weakest capacity to manage business succession and expansion. As such, the Fund is expected to help contribute to job creation including women, tax revenues and regional integration. In addition, the Fund supports the development of sound corporate governance systems of investee companies with a hands-on approach to HR, IT, management, marketing strategy, and skills transfer.</p>