

# AfricaGrow

## THE FUND'S RATIONALE

The AfricaGrow Fund is designed as a fund of funds for promoting small and medium-sized enterprises (SMEs) and start-ups on the African continent. 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. The objective is to strengthen sustainable economic growth and job creation.

## WHO WILL BENEFIT FROM THE FUND?

The Fund is designed to address the financing needs of SMEs and start-ups across multiple sectors and technology-based start-ups (e.g. FinTech, off-grid, AgTech, EdTech, HealthTech, mobility, e-commerce). Of particular interest are innovative business models with strong potential to facilitate economic growth and job creation. Further along the line, and accompanying its investment function, the Fund will also provide financing for technical support in building managerial capacities at the VC/PE-fund level and to selected SMEs and start-ups.

## HOW DOES AFRICAGROW ACHIEVE ITS GOALS?

Acting as a strong and reliable anchor investor, the AfricaGrow Fund will allow partnering venture capital (VC) and private equity (PE) funds to raise private capital more easily. The fund will be set up as a structured fund and KfW, on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), will provide a first-loss tranche on the fund of funds 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.

## COOPERATION

The AfricaGrow Fund will work with Pan-African regional and country-specific funds with proven track records and capacities, primarily in Compact with Africa countries. These countries 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

**KFW**