



TOOLBOX:

Instruments Available to Support Private Sector Investment in Compact with Africa Countries

KfW Financing Instruments and Partnerships to Support Private Sector Development in Africa

This is an overview of financial instruments with participation by Deutsche Kreditanstalt für Wiederaufbau (KfW) and its private-sector investment subsidiary Deutsche Investitions- und Entwicklungsgesellschaft (DEG) for private-sector development in Africa, including in the Compact with Africa (CwA) countries. The funds are nearly all co-investment platforms with technical assistance features with project and blended finance instruments, including a few additional risk mitigation and guarantee vehicles. KfW and DEG provide the funding on a fiduciary basis on behalf of the German Ministry for Development (BMZ).

Instrument	Fund and Managing Organization	Program Focus and Description	Partners	Total Fund Volume	Investments and Commitments CwA Countries	Website
Co-Investment Platform for Institutional Investors	Emerging Africa Infrastructure Fund (EAIF); Fund Manager: Investec Asset Management	Loan and equity finance for infrastructure projects and companies operating in related sectors across Africa. Project loans and corporate loans between 10 and 50 million USD. Senior debt, subordinated or mezzanine debt, local currency loans, anchor or cornerstone investor in bond issues.	KfW, Allianz, FMO, Standard Bank, Standard Chartered Bank, PIDG Trust	587 million USD	GHA, SEN, CIV, ETH, RWA	www.eaif.com
Co-Investment Platform for Institutional Investors	Africa Agriculture and Trade Investment Fund (AATIF); Fund Manager: Deutsche Bank	Loan finance for small, medium and large agricultural farms and agricultural businesses. Indirect investments	KfW, Deutsche Bank, ILO, UN Commodities Fund, CFC	152 million USD	GHA, BEN	www.aaitf.lu

		<p>local financial institutions and intermediaries that on-lend to the agricultural sector.</p> <p>Transaction size between 5-30 million USD.</p>				
Risk Mitigation and Guarantee Vehicle	<p>African Local Currency Bond Fund (ALCBF); Fund Manager: LHGP Asset Management (www.lhgp.com)</p>	<p>Promotes corporate local currency bond markets, following the G20 Action Plan to support LCBMs, adopted in 2011.</p> <p>Acts as anchor investor and provides technical assistance to financial service providers (including banks, MFIs, mortgage providers, leasing companies and SME lenders to reduce risk for local financial sector.</p>	<p>KfW, FMO, IFC, OPIC, AfDB</p>	<p>200 million USD</p>	<p>CIV, SEN, GHA, TO</p>	<p>www.alcbfund.com</p>
Co-Investment Platform for Institutional Investors	<p>Africinvest Financial Sector Fund (AFS); Manager: Africinvest</p>	<p>Equity finance in banks with focus on smaller SME banks and non-banking financial institutions with focus on leasing, insurance, and microfinance. Supports financial institutions to help meet increasing capital adequacy ratios.</p>	<p>KfW, FMO, EIB, Proparco</p>	<p>70 million USD</p>	<p>RWA</p>	<p>www.afcrinvest.com</p>
Co-Investment Platform for	<p>Grofin Small and Growing Businesses Fund (GROFIN);</p>	<p>Loan financing and TA support to small and</p>	<p>KfW, Norfund, DFID,</p>	<p>500 million USD (net</p>	<p>GHA, CIV, SEN,</p>	<p>www.grofin.com</p>

Institutional Investors	Manager: Grofin	growing businesses (SGBs) in Africa and the Middle East. Invests in SGB value chains across 14 countries in Africa and MENA.	Proparco, FMO, IFC Deutsche Bank	asset value)	RWA	
Co-Investment Platform for Institutional Investors	Microfinance Enhancement Facility (MEF): Managers: Blue Orchard, Cyrano, responsAbility, Symbiotics, Chatham Financial (risk management advisor)	Loan financing for microfinance institutions globally through complementary financing to existing funding sources across credit, savings deposits, insurance, remittances, and housing loan sectors.	KfW, IFC, FMO, OeEB, Sida, EIB	565 million USD	N.A.	www.meffund.com
Co-Investment Platform for Institutional Investors and Guarantee Vehicle	Regional Investment Fund for Micro and Small and Medium Enterprise Investment Fund (REGMIFA); Manager: Symbiotics (www.symbioticsgroup.com)	Loan and equity finance and guarantees for regulated and non-regulated microfinance institutions and local commercial banks for MSMEs. Provides loans and lines of credit with longer term senior loans, subordinated debt, terms deposits and guarantees, mostly local currency delivered.	KfW, IFC, AFD, FMO, OeEB, Proparco, AECID, NMI	116 million USD (net asset value)	RWA, SEN, BEN	www.regmifa.com
Co-Investment Platform for Institutional Investors	Fairtrade Access Fund; Manager: Incofin Investment Management	Loan finance and TA support for smallholder farmers and cooperatives to adopt new	Fairtrade International, Grameen Foundation	25 million USD	CIV	www.incofin.com

		technologies and equipment.	(Moham mad Yunus), Starbucks Coffee Company			
Co-Investment Platform for Institutional Investors and Guarantee Vehicle	Sanad Fund for Micro, Small and Medium Enterprises (North Africa and Middle East); Manager: Finance in Motion, Citibank Europe	Loan and equity finance and guarantees for MSMEs in North Africa and the Middle East by supporting banks and microfinance institutions to facilitate access to financial services for MSMSEs. Provides loans and, guarantees and equity financing to financial intermediaries.	KfW, SECO, FMO, OeEB, Devco, GLS Bank	298 million USD	N.A.	www.sanad.lu

DEG Equity Instruments and Partnerships to Support Private Sector Development in Africa*

DEG, the private-sector development arm in the KfW Group, supports private enterprises in Africa by financing local entrepreneurship. Financing tools are:

- **Medium-term and long-term loans** (USD, EUR and local currencies). Loans typically cover 4-10 years, including asset insurance.
- **Equity Investments.** Equity in individual enterprises (minority) and closed-end Private Equity and Mezzanine Funds.
- **Guarantees.** Mobilization of long-term local currency loans or bonds. Reduced currency exchange risk through local currency repayments.

Instrument	Fund Name	Program Focus and Description	Total Fund Volume	Region	CwA	Website
Co-Investment Platform for Institutional Investors	Adenia Capital,	Private equity fund for medium-sized companies. Equity and quasi-equity investments for SMEs	200 million EUR	Sub-Saharan Africa	GHA, CIV	www.adenia.com

		in LICs and LMICs.				
Co-Investment Platform for Institutional Investors	Vantage Mezzanine Fund III	Mezzanine fund (debt and equity) for medium-sized companies across all economic sectors. Pan-African mandate but focus primarily in South Africa.	280 million USD and South African Rand	Sub-Saharan Africa	N.A.	www.vantagecapital.co.za
Co-Investment Platform for Institutional Investors	Pembani Remgro Infrastructure Fund (PRIF)	Mezzanine fund (debt and equity) for infrastructure and natural resources companies and services with focus on energy generation, transport, and logistics.	345 million USD (2016)	Sub-Saharan Africa	N.A.	www.pembani-remgro.com
Co-Investment Platform for Institutional Investors	Metier Capital Growth Fund II	Private equity fund for SMEs (total 12 companies). Sectors: transport, retail, health, tourism, and agri-processing.	225 million EUR	Sub-Saharan Africa	N.A.	www.metier.co.za
Co-Investment Platform for Institutional Investors	Mediterrania Capital III	Private equity fund for SMEs in North Africa/Sub-Saharan Africa with focus on enterprises with high-growth potential (primary healthcare, finance, transport/logistics sectors) but insufficient access to finance. 8-12 investments between 10-30 million EUR each.	103 million EUR	Africa	SEN, CIV, MOR, TUN	www.mcapitalp.com
Co-Investment Platform for Institutional Investors	Maghreb Private Equity Fund IV	Private equity fund for SMEs in North Africa with export focus (telecoms, healthcare, logistics, agribusiness, financial services).	250 million EUR	North Africa	MOR, TUN, EGY	www.africinvest.com
Co-Investment Platform for Institutional Investors	Emerging Capital Partners Africa Fund IV	Private equity fund for SMEs in Africa within telecoms, financial services, consumer products, and logistics.	750 million USD (target)	Africa (focus West, Central and East Africa)	GHA, SEN, CIV	www.ecpinvestments.com
Co-Investment	Catalyst MENA	Private equity fund for	35 million	MENA	EGY, TUN,	www.catalystpe.com

Platform for Institutional Investors	Clean Energy Fund	SMEs in MENA for renewable energy and energy efficiency sector.	USD		MOR, JOR	
Co-Investment Platform for Institutional Investors	Catalyst Fund II	Private equity fund for SMEs in Africa for consumer products, financial services, healthcare.	175 million USD	East Africa	RWA, ETH	www.catalystprincipal.com
Co-Investment Platform for Institutional Investors	AFIG Fund II	Mezzanine fund (debt and equity) for cross-sector SMEs in Africa.	150 million USD	Central and West Africa	SEN	www.afigfunds.com

* based on information available on KfW/DEG website.