

Public Information Summary

AfricInvest IV

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| Host Country(ies) | Pan-Africa, focus on Egypt, Morocco, Nigeria, Cote d'Ivoire, Kenya |
| Name(s) of Fund | AfricInvest Fund IV LLC (the "Fund") |
| Name of Fund Manager | AfricInvest Capital Partners Management III LLC |
| Project Description | The Fund is a pan-African investor focused on profitable, high growth, mid-market businesses that have the potential to become regional leaders. Sectors of interest to the Fund will include financial products, consumer goods and services, healthcare, distribution and retail, and logistical services. The Fund will take substantial minority stakes with strong governance controls. |
| Proposed DFC Equity Investment | Up to \$40 million |
| Target Fund Size | \$500 million |
| Policy Review | |
| Developmental Objectives | This Project is expected to have a highly developmental impact through the Fund's equity investments in 12 to 15 portfolio companies located in low- and lower-middle income countries in North and Sub-Saharan Africa. Africa comprises roughly 15% of the world's population yet bears 70% of the world's poor. Further compounding the precarious economic position is the that the IMF is forecasting a 1.7% economic contraction for the continent in 2020. The Fund's investment strategy will have positive developmental impact by growing middle-market businesses thus creating employment and increasing local income through profits, tax revenue, and the procurement of local goods and services. The Fund will also provide a wealth of experience and technical know-how to its portfolio companies through strategic planning and balance sheet restructuring, enhancing research capabilities, policy formulation, improving financial management and reporting, and via recruitment of highly skilled management. The Fund will guide portfolio companies in sourcing, evaluating and negotiating ventures, add-on acquisitions and partnerships. The Fund will also assist in identifying and developing new products and services that meet international standards and are underdeveloped in the African market. |

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| Environment and Social Assessment | <p>The capitalization of a fund is screened as a Category D activity for the purposes of environmental and social assessment. Based on DFC’s due diligence, the Fund’s downstream investments are anticipated to pose environmental and social risks that are site specific and that can be readily mitigated through the application of sound environmental and social management practices.</p> <p>In order to ensure that the Fund’s investments are consistent with DFC’s statutory and policy requirements, the Project will be subject to conditions regarding the use of the DFC proceeds. DFC’s statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions.</p> <p>The Project involves an equity investment into a fund that will invest in African mid-sized businesses that provide greater access to basic goods and services, including financial products, consumer goods and services, healthcare, distribution and retail, and logistical services (the “Project”). The Fund has in place a sound environmental and social management system in place and trained managers with proven implementation capability as demonstrated through its E&S performance in prior funds, all of which involved DFI funding.</p> |