Infrastructure Growth Drivers

Private Equity (PE) firms are increasingly turning their attention to the investment opportunities available in infrastructure in Africa. The continent’s relatively high economic growth in recent years, along with an increasing population and rapid urbanisation, have put pressure on existing infrastructure and created significant demand across Africa for public and private investment in sectors like energy, transport, utilities, and telecoms. According to World Bank estimates, US$93bn may be required annually to 2020 to close the continent’s infrastructure gap, and PE is well-placed to work alongside governments and other types of investors to provide capital and expertise to help develop the continent’s infrastructure assets.

Private Equity Infrastructure Deals

Sector Snapshot:
Infrastructure

Private Equity Infrastructure Funds

GPs invest in infrastructure projects in Africa from both PE infrastructure-specific and generalist funds. Overall, 13% of the total value of Africa PE fundraising between 2012 and 2015 came from funds that were exclusively focused on infrastructure. PE infrastructure funds raised over the last four years for Africa include Actis Energy 3 (Actis, Emerging Markets), Africa Renewable Energy Fund (Berkeley Energy, Sub-Saharan Africa), Apollo Investment Partnership II (African Infrastructure Investment Managers, South Africa), Convergence Partners Communication Infrastructure Fund (Convergence Partners, Pan-African), Lereko Metier Sustainable Capital Fund (Metier, Sub-Saharan Africa).

Total value of Africa PE fundraising, US$bn

- All PE funds, including Infrastructure
- Infrastructure funds

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
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<tbody>
<tr>
<td>2015</td>
<td>4.3</td>
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<tr>
<td>2014</td>
<td>1.9</td>
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<tr>
<td>2013</td>
<td>3.5</td>
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<tr>
<td>2012</td>
<td>1.9</td>
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<tr>
<td>2012-2015</td>
<td>1.5</td>
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</tbody>
</table>

Selection of PE Infrastructure-focused funds currently fundraising for Africa

- **Focus:** West Africa  
  **Fund:** ARM-Harith Infrastructure Fund  
  **Fund manager:** ARM-Harith Infrastructure Investment Ltd  
  **Targeted Close:** US$250mn

- **Focus:** Sub-Saharan Africa  
  **Fund:** Africa Infra Plus Fund  
  **Fund manager:** Eaglestone Asset Management  
  **Targeted Close:** US$150mn

- **Focus:** Sub-Saharan Africa  
  **Fund:** Pembani Remgro Infrastructure Fund  
  **Fund manager:** Pembani Remgro Infrastructure Managers  
  **Targeted Close:** US$500mn

For further information, please contact:
Alexia Alexandropoulou  
AVCA Junior Research Analyst  
E: alexia.alexandropoulou@avca-africa.org

AVCA
The Banking Hall,  
Crofton Court,  
26 Maida Vale, London W9 1RS  
United Kingdom  
E: avca@avca-africa.org  
W: www.avca-africa.org  
C: www.avcaconference.com  
T: +44 (0)20 3632 0408

About AVCA

**AVCA: Enabling private investment in Africa**

The African Private Equity and Venture Capital Association is the pan-African industry body which promotes and enables private investment in Africa.

AVCA plays an important role as a champion and effective change agent for the industry, educating, equipping and connecting members and stakeholders with independent industry research, best practice training programmes and exceptional networking opportunities.

With a global and growing member base, AVCA members span private equity and venture capital firms, institutional investors, foundations and endowments, pension funds, international development finance institutions, professional service firms, academia, and other associations.

This diverse membership is united by a common purpose: to be part of the Africa growth story.