



AFRICA⁵⁰

SUSTAINABILITY REPORT

2022

Accelerated impact





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ABOUT THIS REPORT

Welcome to Africa50’s 2022 Sustainability Report. This report has been published in line with Africa50’s commitment to report to and inform stakeholders about the Environmental, Social and Governance (ESG) and Development Impact performance of the Africa50 infrastructure investment platform.

Scope and boundary of this report

The report covers the ESG and Development Impact performance and achievements of Africa50. This includes both its legal operating entities, namely Africa50 - Project Development and Africa50 - Project Finance, and their portfolio investments. Unless indicated otherwise, this report refers to both entities collectively as “Africa50”. The report is aimed at providing an overview of our sustainability strategy, progress to date, and future plans, and should be read in conjunction with the 2022 Africa50 Annual Report, which together outline our business strategy and performance.

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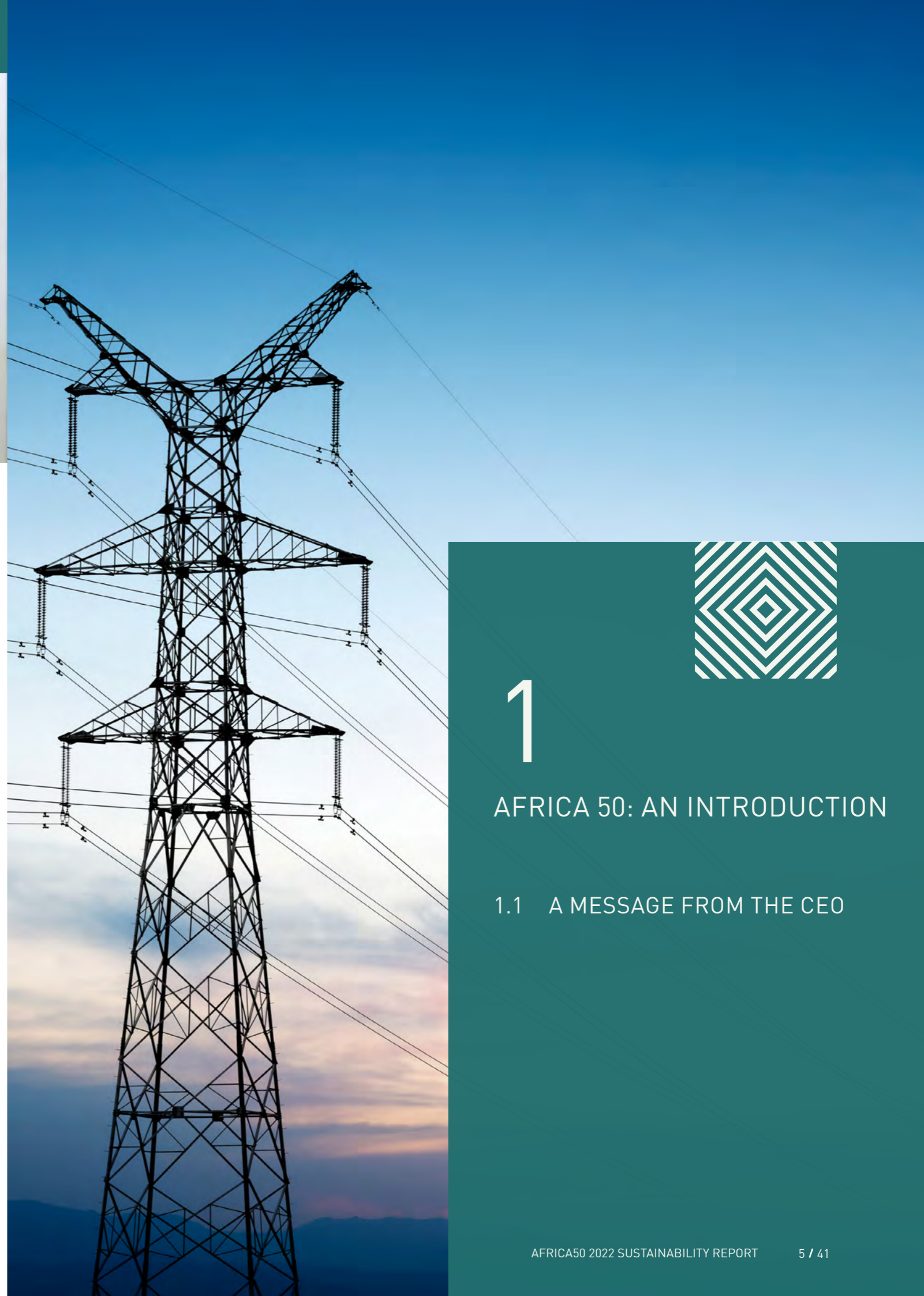
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Certain information contained in this report constitutes forward-looking statements, which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “seek”, “believe” or “continue”, or the negatives thereof or other variations thereof or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of any investment may differ materially from those reflected or contemplated in such forward-looking statements. There can be no assurance that any targeted or illustrative returns will be achieved.

This report contains certain historical performance information of certain investments made by Africa50. Information regarding particular prior investments directed by Africa50 included in this report are for informational and discussion purposes only to describe Africa50’s historical approach to investing, and are not an indicator of, and should not create any expectation regarding, results for any future

The information and opinions contained in this report are for background purposes only, do not purport



1

AFRICA 50: AN INTRODUCTION

1.1 A MESSAGE FROM THE CEO

investments made by Africa50. The historical performance information included herein has been calculated by Africa50 based on information provided by the companies in which the investments were made as well as other sources. The historical performance information presented herein is on a gross basis (before deduction of fees and expenses) unless otherwise noted. It should not be assumed that any investments in the future will be profitable or will equal the performance shown herein. Past performance is not an indication or assurance of future results.

An investment in Africa50 or any of its products or investments will involve a high degree of risk and could result in the loss of an investor's investment. Interests in Africa50 or any of its products or investments may be restricted to transfer, and investors may not be permitted to withdraw. This report does not take into account the particular investment objectives or financial and tax situation of any shareholder, and should not be construed as financial, legal or tax advice. Africa50's investments may involve a high degree of business and financial risk.

There can be no assurance that Africa50's investment strategy or objectives will be achieved or that shareholders will receive a return on the amount invested.

Shareholders are cautioned against using this information as the basis for making a decision to purchase any security or to otherwise engage in an investment relationship with Africa50. Shareholders should inform themselves and take appropriate advice as to any applicable legal requirements and any applicable taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant.

None of the prospective investments described in this report have been purchased by Africa50 and Africa50 has no right or obligation to purchase any of the prospective investments described herein. You should also bear in mind that targeted portfolio characteristics are not indicative of actual portfolio characteristics and there can be no assurance that Africa50 will have comparable portfolio characteristics or that target portfolio characteristics will be achieved. Nothing contained herein should be deemed to be a prediction or projection of future performance of Africa50.

Except where otherwise indicated herein, the information provided herein is based on matters as they exist as of December 2022 and not as of any future date and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after the date hereof.



1.1 A MESSAGE FROM THE CEO



Alain Ebobissé
CEO of Africa50

2022 presented a new wave of hope for economies around the world, fueled by diminishing economic uncertainty and disruptions stemming from the COVID pandemic. Global optimism however quickly dwindled with the onset of unprecedented political instability due to the war in Ukraine, the resulting energy crisis in Europe and concomitant inflationary pressures across the globe all of which have been acutely detrimental to our continent.

Despite the challenges facing the world, our organization demonstrated remarkable resilience and achieved significant milestones in our mission to close Africa's infrastructure gap. We successfully delivered and connected the 120 MW Malicounda power plant in Senegal to the grid, we launched the Alliance for Green Infrastructure in Africa (AGIA) at COP27, together with the African Development Bank,

“Despite the challenges facing the world in 2022, our organization demonstrated remarkable resilience and achieved significant milestones in our mission to close Africa's infrastructure gap.”

the African Union Commission and other regional and global partners and we operationalized the Africa50 Infrastructure Acceleration Fund, with active capital mobilization initially targeting African institutional investors.

The recent energy crisis in Europe has put a brighter spotlight on the challenges and opportunities of the energy transition. The impact of climate change, requiring us to ensure that, as we look to deliver on a 'just energy transition' and develop climate resilient infrastructure, we must balance both future needs and current demand within the context of the imperative to drive Africa's economic development.

This is the message we took to COP27 in Sharm El Sheikh, Egypt at the launch of AGIA. AGIA aims to develop and finance a pipeline of bankable, climate resilient green infrastructure projects in Africa, raising US\$500 million for project preparation and project development and generating up to US\$10 billion in investment opportunities. Through AGIA we are looking to address Africa's project development deficit, and ensure we deliver at speed and at scale, transformational infrastructure projects to support the continent in meeting its climate action commitments and transition to Net-Zero.

To deliver on our 2030 vision and aligned with one of our strategic pillars of mobilizing private sector capital, we launched the Africa50 Infrastructure Acceleration Fund (IAF). We plan to commit US\$50 million to the fund that aims to raise a total of US\$500 million for investing equity into later stage investments across diverse sectors such as power and energy, transportation and logistics, water and sanitation, and digital and social infrastructure. Unlike Africa50 – Project Finance, the IAF will take majority and minority stakes in projects for equity

ticket sizes over US\$40 million.

We also increasingly recognize the importance of social infrastructure investments, namely in, education and healthcare, in our strategy. Although we are still in the early stages of executing on this strategy, we have leveraged our core skills in deal origination, structuring and public-private partnerships to play a catalytic role in these sectors, with several attractive projects in the pipeline. We completed our first education sector investment during Q1 of 2023.

In our efforts, we will continue to leverage our platform and bring together partners to deliver mutually beneficial solutions to issues faced by our Country Shareholders and partners. We recognize the importance of attracting and retaining the best talent to innovate and structure these complex projects.

Integral to our investment process, we ensure that we uphold the highest standards in Environment Social and Governance and continue to innovate with regards to impact management, and monitoring. The Africa50 Impact Scoring Tool is the latest addition to our integrated ESG and Impact Measurement Management System and toolkit. Our Impact Scoring Tool is designed to assess the Development Impact potential of an investment during the due diligence phase as well as track the impact of the investment throughout the life of our shareholding and beyond.

We believe that this Sustainability Report reflects our commitment to these critical topics and highlights our significant contributions towards closing Africa's infrastructure gap. We are grateful for your continued support and we look forward to your partnership in making a positive and sustainable impact on the African continent.

“We recognize the importance of attracting and retaining the best talent to innovate and structure these complex projects.”





2.1 OUR APPROACH TO IMPACT

AFRICA50'S DEVELOPMENT IMPACT PHILOSOPHY

At Africa50, impact is at the core of our investment philosophy. In 2022, we revised our Development Impact Framework to better measure and communicate the impact of our projects. Our impact narrative is structured around four fundamental questions, which help us define the pathways through which we create impact and ultimately, achieve our vision:

- 1 What value do we bring as a partner?
- 2 Where do we invest today?
- 3 What outcomes do we deliver?
- 4 What impact do we ultimately strive for?

1 What value do we bring as a partner?

Innovative deal structuring

Private capital mobilization

Leveraging of local knowledge and networks

Partnerships with private and public stakeholders

Development of a pipeline of bankable infrastructure projects

Africa50's strength lies in being an experienced and credible investment and implementation partner for stakeholders in both the public and private sectors.

As an infrastructure investment partner, Africa50 provides risk and growth equity to accelerate infrastructure projects across Africa and to develop a pipeline of bankable infrastructure projects. Additionally, Africa50's role is to mobilize capital from local and global institutional investors to accelerate further investment into infrastructure for the continent.

We pride ourselves in being more than just a capital provider; we are a trusted partner with deep and broad sector, financial and legal expertise, and we work in partnership with governments, development partners, and the private sector to leverage resources and skills to maximize their impact and returns.

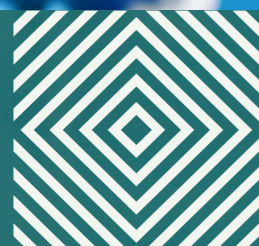
We bring the necessary technical expertise to assess, structure, and manage complex infrastructure projects, leveraging our local knowledge and broad and deep networks to expedite project development and implementation. Lastly, we uphold the highest international sustainability standards through our ESG and impact management systems.

2

OUR IMPACT FRAMEWORK

2.1 OUR APPROACH TO IMPACT

2.2 OUR APPROACH TO ESG RISK MANAGEMENT



“ We believe that we can play a catalytic role in increasing access to education and healthcare and promoting financial inclusion in Africa, by leveraging our existing capabilities and strong track-record on the continent. ”



◆ Completed Malicounda Power Plant, Senegal

2 Where do we invest today?



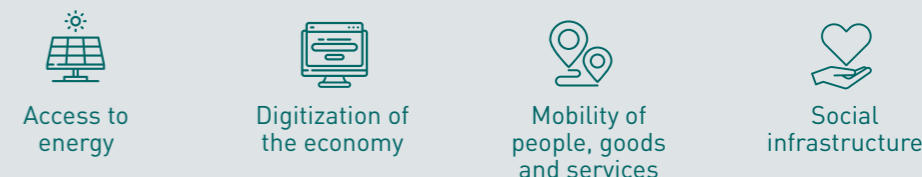
Our priority sectors include energy, ICT, transport and logistics, and midstream gas infrastructure. However, we have recently expanded our strategy to include social infrastructure sectors such as education, fintech and healthcare as part of our more diversified portfolio strategy, as we see opportunities that can deliver both impact and returns.

Our portfolio consists of 1,271MW of operational power plants across renewable energy, gas and thermal power, and 540MW under development

or construction. Our power portfolio is, however, becoming more vertically integrated to include the transportation of power, as we increasingly invest in transmission infrastructure. Our ICT portfolio includes investments in a data centre platform with assets in East and West Africa and expanding aggressively. Additionally, we are focused on delivering cost-effective last mile connectivity access to disadvantaged communities through our investment in Poa! internet.

3 What outcomes do we deliver?

Sector-specific outcomes:



Sector-specific outcomes

Our investments aim to achieve sector-specific outcomes, including improving access to energy, driving the digitization of the African economy, facilitating the mobility of goods, services, and people, and meeting critical 'social' infrastructure needs.

Access to energy

As of 2020, Sub-Saharan Africa had an electrification rate of around 48%, which means that more than half of the population in the region still lack access to electricity.¹ Our energy investments prioritize increased access to affordable, reliable and cleaner energy. Recognizing our dual mandate of addressing urgent development needs while supporting the transition to a greener economy, we ensure that our energy investments are future-proof and climate resilient. As an example, all our investments in heavy fuel oil (HFO) plants have plans to be converted to gas-powered plants once gas in a country such as Senegal comes onstream.

Mobility of people, goods, and services

In line with the introduction of the African Continental Free Trade Area (AfCFTA), which aims to promote greater regional integration, our transport infrastructure projects benefit economies and individuals by reducing transport costs, increasing trade, and boosting economic growth. Africa is most vulnerable to the effects of climate change and it is therefore crucial for us to ensure that these projects are designed, built, and maintained in a way that can withstand and adapt to extreme weather events.

Social infrastructure

We increasingly recognize the importance of what we call social infrastructure investments, namely investments in fintech, education and healthcare, in our strategy. A large part of the African population remains unbanked, particularly in Sub-Saharan Africa, where 45% do not have a bank account.³ Furthermore, while the proportion of people that can access education has increased in the last few years, there is still a significant gap that remains. Finally, according to the World Health Organization (WHO), at least half of the world's population still lacks access to essential health services.

Digitization of the economy

Internet adoption in Sub-Saharan Africa is considerably lower compared to the global average of 83%, with only 36% of the population using the internet.² Our investments in ICT aim to provide affordable and reliable internet access and improve data storage capacity. Connectivity is a crucial factor in increasing productivity for African businesses and creating new business opportunities, thereby boosting economies. Our projects range from large-scale infrastructure to smaller, disruptive solutions with the potential to scale (see case study on *Poa! Internet*). We believe that both approaches are necessary to bridge the digital divide effectively and efficiently.

We believe that we can play a catalytic role in increasing access to education and healthcare and promoting financial inclusion in Africa, by leveraging technology and our existing capabilities and strong

1 World Bank (2020)
2 World Bank (2021)
3 Statista (2021)

3 What outcomes do we deliver?

Direct outcomes:



Direct outcomes

When Africa50 invests in a project, it intentionally aims to generate positive effects on the local economy, beyond the sector-specific outcomes of the project itself. As a result, all our projects contribute to our goal of supporting the sustainable growth of African economies, through contribution to local economies and job creation, contribution to government revenue and climate action and catalyzing foreign direct investment (FDI).

track-record on the continent.

Contribution to local economies

We acknowledge that 'contribution to local economies' is a more comprehensive metric than GDP alone, as it considers factors like environmental sustainability, social inequality, and well-being. Our focus is not solely on achieving GDP growth, but rather using it as a tool to achieve broader goals. Nevertheless, GDP remains an important measure as it enables us to evaluate the value generated by projects within the local economy, particularly through local expenditures. To enhance this outcome, we prioritize engaging local suppliers and businesses, as well as employing local workforce, with the aim of maximizing job creation.

Job creation

For Africa50, the focus is not only on creating jobs, but also on ensuring that the jobs created are of high quality. This means that the jobs created should not only provide decent wages but also offer opportunities for skills development, career growth, and a safe and healthy working environment. On top of this, we also work with our partners to support initiatives that have a positive impact on women's

economic empowerment.

Contribution to government revenue

Strong governments play a crucial role in creating resilient and equitable societies, namely by providing access to essential services, such as healthcare, education, and security. This is only possible with sufficient government revenue, which is why we prioritize measuring tax payments from our projects as a cornerstone of our impact narrative.

Reduction of GHG emissions

We believe that achieving developmental impact and taking climate action must go hand in hand, and we are committed to finding solutions that balance both objectives. This means recognizing the vital role of gas as a key transition fuel for Africa, while also growing our clean energy portfolio. Please refer to our *Africa50's Climate Change Guiding Principles* for more information.

There are, of course, clear potential trade-offs to be made between these outcomes. For example, economic growth and job creation initiatives usually require increased energy and natural resources consumption, which can be seen to conflict with climate action efforts. The challenge lies therefore lies in achieving a balance in order to deliver a net positive outcome.

4 What impact do we ultimately strive for?



Four impact pillars underlie our Development Impact philosophy and speak to the immense impact Africa50 strives to have on the continent.

As such, through our projects, we aim to:

- Improve livelihoods;
- Promote regional integration;
- Facilitate economic growth; and
- Contribute to climate action.

Overall, Africa50 strives for a stronger and more resilient African continent, while contributing to specific Sustainable Development Goals (SDGs). We hope to make direct contributions to the following SDGs:

- SDG 7 (Affordable and Clean Energy);
- SDG 8 (Decent Work and Economic Growth);
- SDG 9 (Industry, Innovation and Infrastructure);
- SDG 10 (Reduced inequalities);
- SDG 11 (Sustainable Cities and Communities);
- SDG 13 (Climate Action); and
- SDG 17 (Partnership for the Goals).



“Africa50 strives for a stronger and more resilient African continent”

◆ Image: Poa! internet street vendors in Nairobi, Kenya

What's next?

In 2023, we plan on continuing to build upon the work we have done by improving our impact data collection practices, and further embedding impact considerations in our investment process. We will

also further develop our impact framework based on our Climate Guiding Principles. Please refer to 'Our Results' Section of this report for an overview of the impact that we deliver through our investments

OUR THEORY OF CHANGE

1 What value do we bring as a partner?

Africa50 convenes strategic partnerships, capital and technical know-how..

- Innovative deal structuring
- Private capital mobilization
- Leveraging of local knowledge and networks
- Partnerships with private and public stakeholders
- Development of a pipeline of bankable infrastructure projects

2 Where do we invest today?

...to deliver critical infrastructure...

- Power
- Midstream gas
- ICT
- Transport
- Education
- Health
- Fintech

3 What outcomes do we deliver?

...that meets essential needs...

Sector-specific outcomes

- Access to energy
- Digitization of the economy
- Mobility of people, goods, and services
- 'Social' infrastructure

... and contributes to the sustainable growth of African economies...

Direct outcomes

- Contribution to local economies
- Job creation
- Contribution to government revenue
- Reduction of GHG emissions

4 What outcomes do we deliver?

... for a stronger and more resilient African continent

- Improve livelihoods
- Promote regional integration
- Facilitate economic growth
- Contribute to climate action

While contributing to several Sustainable Development Goals



◆ Africa50 Theory of Change

IMPACT IN PRACTICE

This section provides insights on how we integrate impact into our operations. At Africa50, we integrate Development Impact considerations in all our investment decisions, alongside ESG considerations. To support our investment teams, we have developed an Impact Measurement and Management (IMM) framework that helps us screen new projects, manage, and measure the Development Impact performance of projects in our portfolio.

To begin with, our **screening** process focuses on identifying the potential impact of projects. For Africa50, impact is not an afterthought; rather, it is a fundamental aspect of our mandate and strategy. Therefore, we always examine a project's alignment with our overall mandate.

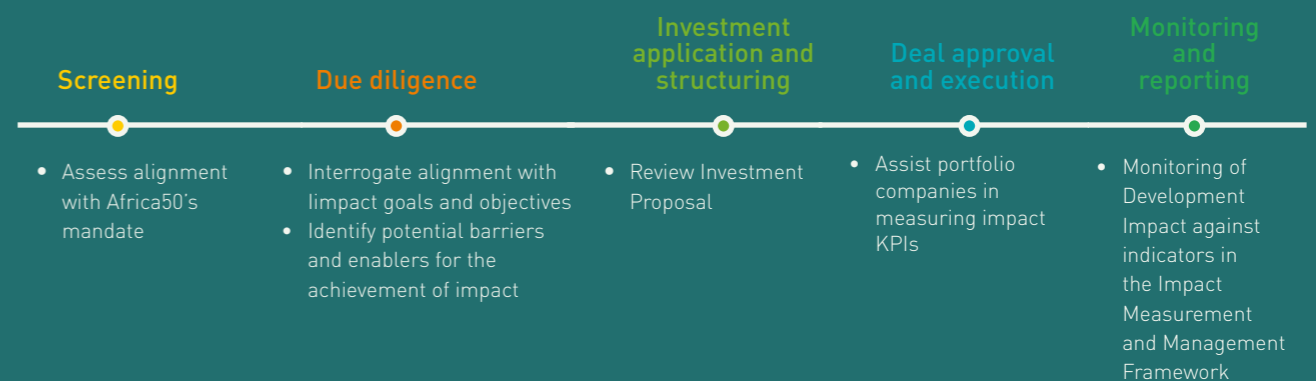
Next, we conduct a **due diligence** assessment that helps us assess the potential Development Impact of projects, through an Impact Scoring Tool. The Impact Scoring Tool has been designed to assess the impact potential of an investment by looking at three dimensions: impact potential, magnitude, and confidence.

The impact assessment conducted during the due diligence phase is integrated into the investment proposal and is carefully evaluated by Africa50's Investment Committee. This impact assessment plays a crucial role in deciding whether or not to fund the project.

Once the deal is ready for **approval and execution**, we ensure that we have the necessary resources available to assist portfolio companies in strategically improving their performance with respect to Development Impact KPIs. We have just started the process of helping some of our portfolio companies to collect impact metrics.

Once an investment has been made, we continue **monitoring and reporting** on impact KPIs. We annually collect and review key impact metrics and we proactively drive conversations around impact value creation with our portfolio companies. As we continue to evolve, we remain committed to constantly improving our practices.

◆ Development Impact considerations integrated throughout the investment cycle





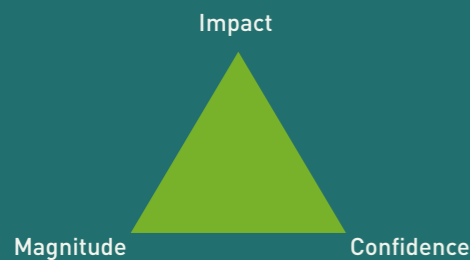
Our Impact Scoring Tool

To evaluate the potential Development Impact of our investments, we use an Impact Scoring Tool that considers three dimensions: impact, magnitude, and confidence.

Impact: assesses the investment's potential performance against relevant industry impact indicators.

Magnitude: measures the scale of the investment's impact, including the geographic extent of the economic impact and depth of impact on stakeholder livelihoods.

Confidence: evaluates potential risks and factors that may prevent the expected impact from materializing, including the measurability and probability of achieving the impact, as well as Africa50's influence over project outcomes



Understanding the impact score

Impact drivers help understand the final weighted impact score given to a project. The impact drivers include: catalyzing external funding, improving livelihoods, fueling economic development, and regional integration.

The contribution of the project to the identified drivers is assessed on a sliding scale from 1 to 3. In assessing the contribution of the project, we look at the probabilities of impact materializing and risks affecting realizable impact. The impact drivers are assessed as follows:

- ▲ High impact
- ▲ Medium impact
- ▲ Low impact or no impact / not influenced by Africa50

On ESG engagement: An interview with Meryem Benhsain



Meryem Benhsain
Senior Investment Associate

What are the opportunities you see in talking about these issues?

The discussions we have with our investee companies regarding ESG risk management and impact present several opportunities. The first opportunity is the chance to institutionalize ESG standards in the company, which makes it more attractive for private international funding. Many lenders and private equity providers, including development finance institutions (DFIs), have strict requirements when it comes to ESG risk management and impact. By implementing market standard ESG risk management, companies can access private funds more quickly and easily. The second opportunity is the de-risking of the business. Adhering to world-class ESG risk management standards helps companies to mitigate reputational risk that can result from mismanagement of the impact component or other ESG risks. Investors are increasingly concerned with the social and environmental impact of their investments and are looking to invest in companies that are committed to sustainability and responsible business practices. By implementing best-practice ESG risk management, companies can reduce the risk of reputational damage that may arise from poor social and environmental practices. This can help to attract investors and build long-term trust with stakeholders. So ESG is more than just a box ticking exercise, but also a value creation tool.

How do investee companies respond when you talk to them about developing ESG management systems and monitoring and measuring impact data?

Our investee companies generally recognize the importance of having robust and market-standard ESG procedures and processes. They are committed to enhancing their ESG management systems and implementing relevant measures to meet the international standards we require, such as establishing an Environment, Social and Governance Management System (ESMS) and providing ESG and impact data. As part of our due diligence process before investing in a company, we often develop an ESG action plan that lists the necessary actions for the company to meet international standards. This action plan is implemented once we invest in the company and we work with the company to ensure its execution.

◆ Image: Benban Solar Plant, Egypt

“Implementing best-practice ESG requirements helps attract investors and build long-term relationships with stakeholders.”



2.2 OUR APPROACH TO ESG RISK MANAGEMENT

The concepts of ESG and impact are intimately connected: one cannot exist without the other. Development Impact focuses on the positive and intentional change that can materialize for external stakeholders and the environment and how projects and businesses can contribute to solving societal problems, whilst ESG focuses on mitigating risk.

Africa50's commitment to ESG is guided by applicable internationally and nationally accepted principles, guidelines, and good practice standards. Africa50, the sponsors it partners with, the portfolio companies and lenders are expected to act in accordance with the following reference framework:

- Applicable national and local ESG laws and regulations; and
- International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability or (in certain cases) the African Development Bank Integrated Safeguards System.

In addition to complying with the relevant international and local standards, Africa50 commits to the following set of guiding principles:

- Support a precautionary approach to environmental challenges;

- Inspire the efficient use of energy and natural resources to reduce the impact on climate change and to contribute towards the sustainable use of depleting resources, including forests and water;
- Encourage the reduction of greenhouse gas emissions in its operations and in those of its portfolio companies;
- Avoid and, if not possible, minimize adverse impact on human health and the environment;
- Support and respect the protection of internationally proclaimed human rights;
- Support and respect fair labour and working conditions;
- Protect the health and safety of workers, surrounding communities and customers;
- Adopt high standards of professional conduct and excellence;
- Exhibit honesty, integrity, fairness and respect in all its dealings; and
- Enhance the good reputation of Africa50.

Our primary objective is to avoid any adverse ESG impact. We are deeply committed to this goal and consistently strive to achieve it. When communicating our ESG results, as summarized below, our intention is to be transparent.

Our ESG Performance

0

Major environmental, governance and social incidents

16

Lost-time injuries

4⁴

Offsite Fatalities

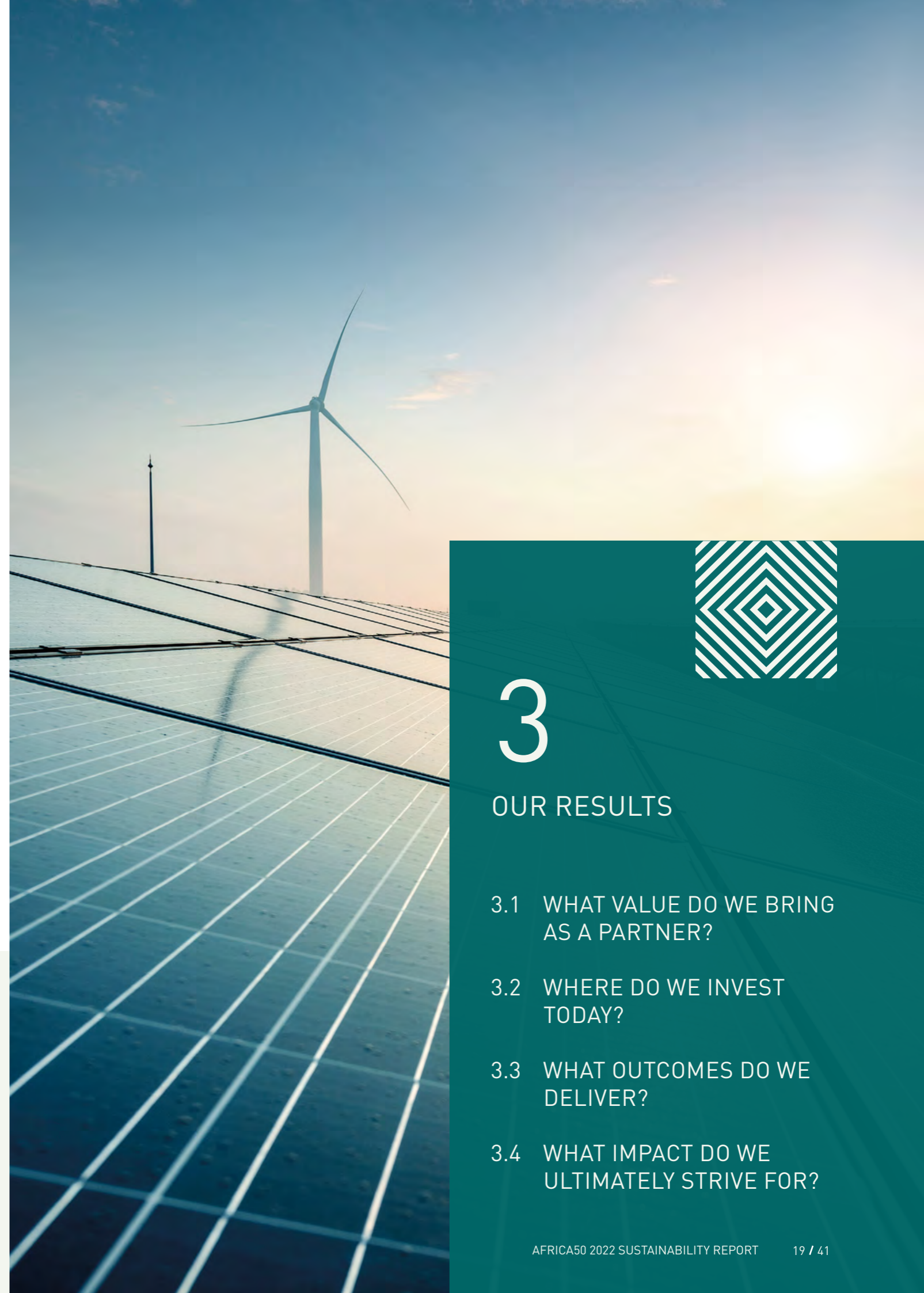
14

Africa50 board seats

15%

Women board representation across portfolio

⁴ An offsite road traffic accident which resulted in 4 fatalities. The root case analysis of this accident has been carried out, and associated measures recommended. The families of the injured and deceased are being supported over the long term by the construction company in close coordination with the project company



3

OUR RESULTS

3.1 WHAT VALUE DO WE BRING AS A PARTNER?

3.2 WHERE DO WE INVEST TODAY?

3.3 WHAT OUTCOMES DO WE DELIVER?

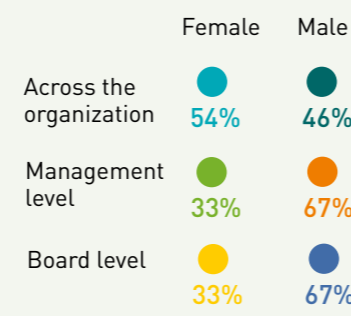
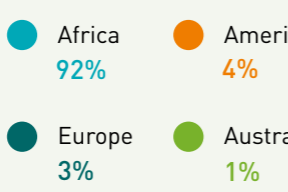
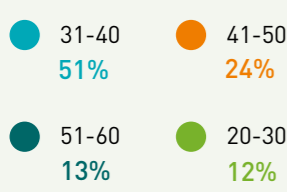
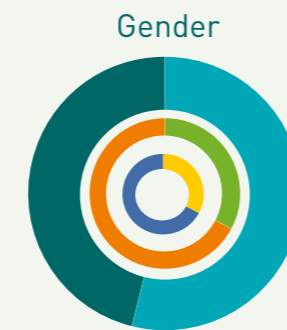
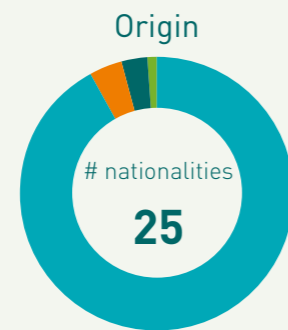
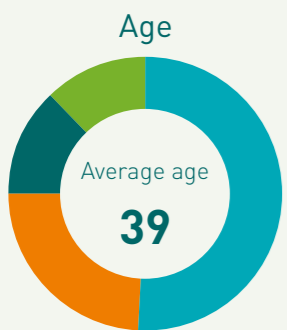
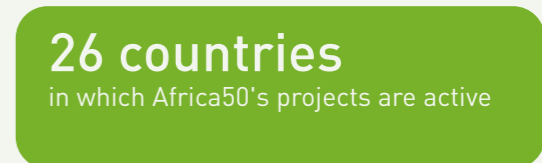
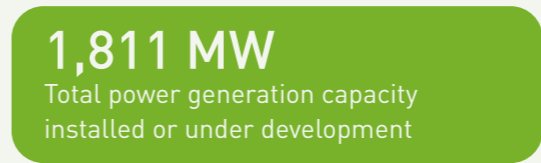
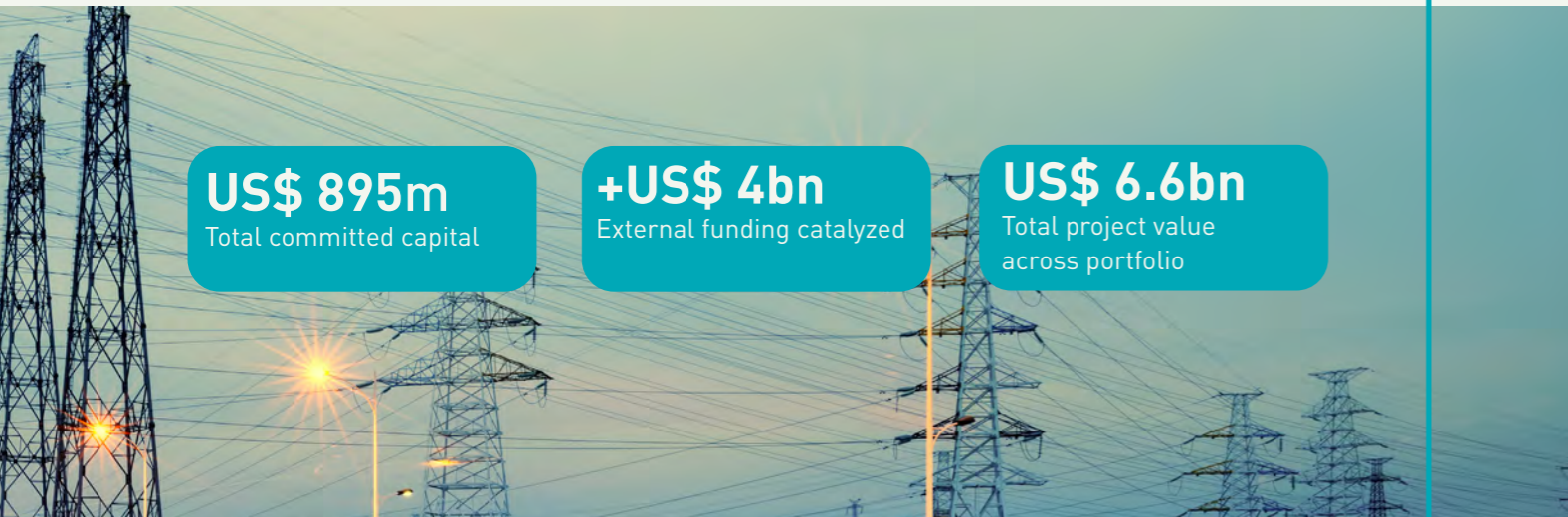
3.4 WHAT IMPACT DO WE ULTIMATELY STRIVE FOR?

3.1 WHAT VALUE DO WE BRING AS A PARTNER?

3.2 WHERE DO WE INVEST IN TODAY?

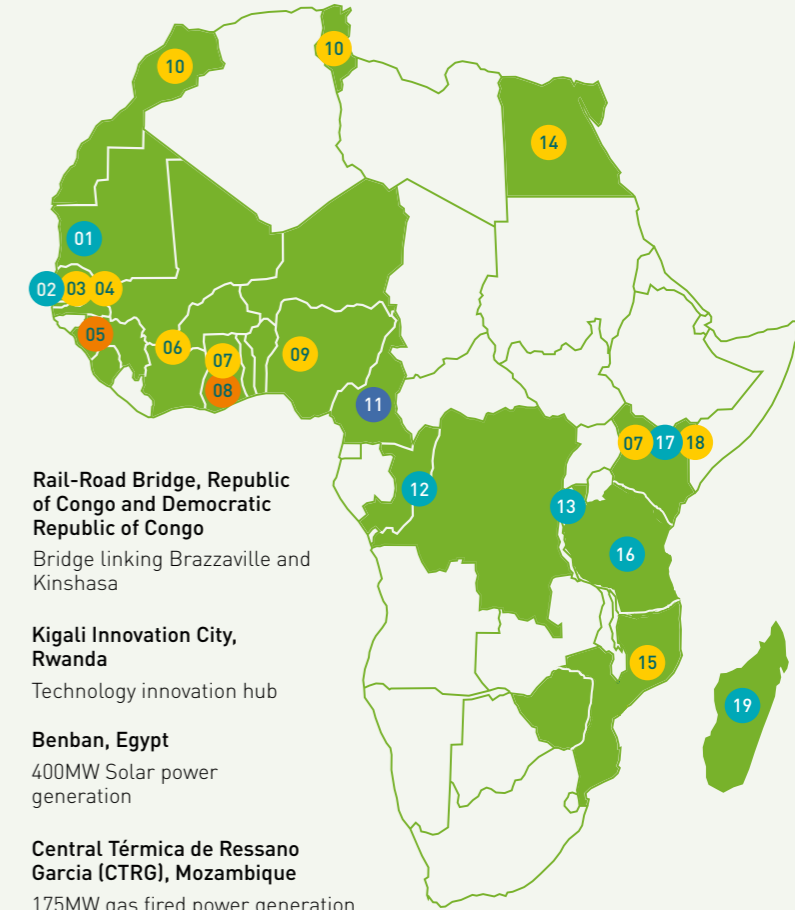
Highlights

Highlights



- Projects in operation
- Projects under construction
- Projects under development
- Exited projects

- 01 Boutilimit Highway, Mauritania**
Country's first toll highway
- 02 Senegambia Bridge, The Gambia**
Bridge connecting northern and southern Gambia
- 03 Malicounda, Senegal**
120MW heavy fuel oil (convertible to gas) power generation
- 04 Tobene Power, Senegal**
115MW heavy fuel oil (convertible to gas) power generation
- 05 Gbessia Airport⁵, Guinea**
Airport concession
- 06 Scanning Systems, Cote d'Ivoire**
Design, financing and implementation of Joint Border Posts
- 07 PAIX Data Centers, Ghana and Kenya**
Platform of carrier-neutral data centres
- 08 Genser⁶, Ghana**
Captive thermal power plants with natural gas pipeline network
- 09 Azura Edo, Nigeria**
461MW gas power generation
- 10 Holged, Morocco and Tunisia**
Provider of primary and secondary education
- 11 Nachtigal, Cameroon**
420MW hydropower generation
- 12 Rail-Road Bridge, Republic of Congo and Democratic Republic of Congo**
Bridge linking Brazzaville and Kinshasa
- 13 Kigali Innovation City, Rwanda**
Technology innovation hub
- 14 Benban, Egypt**
400MW Solar power generation
- 15 Central Térmica de Ressano Garcia (CTRG), Mozambique**
175MW gas fired power generation
- 16 Midstream gas, East Africa**
- 17 Transmission PPP, Kenya**
Operation of the 400kV Lessos - Loosuk and 220kV Kisumu - Musaga transmission lines
- 18 Poa! Internet, Kenya**
Internet service provider
- 19 Volobe Hydropower, Madagascar**
120MW hydropower generation
- 20 Room2Run, pan-African**
Risk Protection agreement
- 21 Project East2West, several African countries**
Mix of green field and brownfield terrestrial fibre optic cables across 10 African countries



⁵ Exited in November 2022
⁶ Exited in January 2021

Data as at 30th June 2023

“As an African organization, we are proud to employ mostly African professionals with a deep understanding of both the local and global context in which we operate. At the same time, we embrace and cherish diversity, in terms of gender and origin.”

3.3 WHAT OUTCOMES DO WE DELIVER?

Direct outcomes

US\$ 354m⁷
spent on suppliers

47% spending on local suppliers

“ Azura’s assets spent 95% on local suppliers in 2022, as the company is strongly committed to contributing to broader economic development in the communities in which it operates ”

3,822 jobs⁸
supported by Africa50
(-2% compared to 2021)

57% Local employees
16% female positions*

* This is well above the average of 11% in the construction and energy supply sectors in Africa

US\$ 64m⁹
in government taxes and revenues generated by Africa50 projects

This enables governments to invest in vital infrastructure, education, healthcare, and social welfare programs

0.5m tCO₂ avoided
by the Benban Solar Plant in Egypt

This is equivalent to the total GHG emissions of 108,000 cars

Sector-specific outcomes

This is approximately equal to the entire population of Mozambique

31 million people⁹
receiving electricity from Africa50 projects

6,411 GWh
annual power output from Africa50 energy projects

96%
average plant availability of Africa50’s projects



360 kW
data storage capacity of PAIX Data Centres

76 commercial customers
served by PAIX Data Centres across Ghana and Kenya

22,000 customers
connected through Poa! Internet’s home internet schemes
(+67% compared to 2021)

◆ Image: Africa50 Senior ESG Manager during a monitoring site visit at Malicounda power plant, Senegal



“ Increasing data storage capacity in Africa is vital for unleashing the continent’s potential, fueling innovation, enabling efficient digital services, and empowering businesses to leverage data-driven insights for growth ”

⁹ Based on power consumption per household and a household multiplier of 4.8 (UNDP (2022))

⁷ Applies to operational assets and Nachtigal excluding PAIX
⁸ Applies to all operational assets and Nachtigal
⁹ Applies to all operational assets

3.4 WHAT IMPACT DO WE ULTIMATELY STRIVE FOR?

Attributing results to Africa50 at an impact level can be challenging. However, we can confidently say that, at Africa50, we contribute to the ultimate vision of a prosperous African continent with improved livelihoods, enhanced regional integration, inclusive economic growth, and climate resilience. However, we are just one piece of the puzzle, and many other

partners are working alongside us to achieve this common goal. In discussing our impact vision, we wanted to highlight our progress, the essential building blocks we are putting in place, and where we envision Africa50 to be in the next decade. We sat down with Board Member Sophie L’Helias to delve deeper into these topics.

On Africa50’s Impact Journey: An Interview with Board Member Sophie L’Helias

Sophie is a recognized corporate governance and ESG expert, strategic advisor and board director. She has a deep understanding of investor expectations and is recognized for her thought leadership and capacity to anticipate investment trends in corporate governance and ESG alike



Sophie L’Helias
Strategy, Budget, Sustainability,
Environment and Social
Committee Board Committee
member of Africa50

In your opinion, what is unique about Africa50?

Africa50 is an exceptional organization, and its innovative governance structure is what sets it apart. There are two fundamental components to why this structure is so effective. Firstly, the African countries themselves are shareholders, which means Africa50 is a stakeholder-owned organization. In other words, the shareholders, who are also the beneficiaries of the projects, have aligned interests with the business. Secondly, fifty percent (50%) of the board members are independent, which complements the ‘stakeholder approach’ and the social impact focus with independent oversight and a more financial perspective. As such, you have a board that consists of objective and experienced individuals from outside the organization, who also care deeply about social and sustainable impact, as well as representatives of the shareholder countries who serve the African continent. It is not always easy to make a new

governance structure work, but the leadership and management team at Africa50 have done a great job at creating this environment of constructive and effective board and management engagement. As a result of this governance structure, Africa50 is focused on ESG risk management and impact, and it looks both at the financial and non-financial impact of integrating ESG at the organization and portfolio levels.

As a member of the Strategy, Budget, Sustainability, Environment and Social Committee, where do you see the most important contribution of Africa50 to impact and sustainable development in Africa?

Impact is very much at the core of Africa50’s mission and what it aims to achieve. We know we want to support job creation, gender equity, climate, improved governance (of the companies that we invest in), and we want to mobilize capital, namely private capital, to the continent, to ultimately, fuel its economic

development. There are also great opportunities in bringing innovation to education and healthcare. We are beginning to see results.

Having said that, as a relatively new organization, we must also recognize that we are at the beginning of our impact journey, and we are actively laying the foundation for future success. There are three things that need to happen in my view. Firstly, we need to secure more funding to support our growth and increase investments with impact. Secondly, we need to continuously enhance our ESG methodology to reflect our impact investment objectives, provide us with meaningful comparable and verifiable data that we can track and measure. It is through an iterative process that we can draw meaningful insights and improve. Finally, we need to integrate ESG at all levels - from investment to exit and include incentives that reward strong financial and extra-financial performance. Climate may be one area where we can move in that direction because of the growing number of research and standards that help us benchmark against other international funds.

These are the building blocks of an ESG and impact investing strategy that we need to put in place. What makes me very optimistic is that the team at Africa50

is aligned on these very important topics and the organization is building the much needed capacity to continue to improve ESG integration Development Impact at Africa50 and with portfolio company investments - the board itself is getting training on this.

Where do you see Africa50 in the next 5 to 10 years?

I hope that in the next 5 to 10 years Africa50 will be recognized as one of the leading infrastructure investors in Africa, delivering sustainable and attractive risk adjusted returns and Development Impact. Two key factors will drive this. Firstly, we need to become more intentional in our project selection and development process. By prioritizing high-quality impact projects, we will be able to deliver better outcomes and establish a strong reputation for delivering both financial returns and Development Impact. Secondly, as we become known for our impact leadership, we will be able to attract a wider base of investors who trust us to have conducted the requisite and robust due diligence on impact and financial returns. This will have a snowball effect, as our catalytic role and results will attract more investors who want to make a positive difference in Africa.

◆ Image: Poa! internet



“ We must recognize that we are at the beginning of our impact journey and actively laying the foundation for future success. ”



4

OUR ACHIEVEMENTS

- 4.1 POA! INTERNET: BRIDGING THE DIGITAL DIVIDE
- 4.2 AZURA POWE PLATFORM: SUPPORTING A JUST ENERGY TRANSITION
- 4.3 SCANNING SYSTEMS: DELIVERING ON THE AfCFTA
- 4.4 GIVING BACK: CSR INITIATIVES



4.1 POA! INTERNET

BRIDGING THE INTERNET DIVIDE



Sector:		ICT
Countries active:		Kenya

Connecting the unconnected

With an internet usage rate of 29% across Sub-Saharan Africa, internet adoption is much lower than the global average of 60%.¹⁰ Internet access provides a huge social and economic opportunity, as it is a fundamental enabler of trade, business, education and communication. But those who can't get online are left behind, creating a digital divide across the African continent.

By laying out its innovative wireless network in underserved low-income neighborhoods, the core mission of Poa! Internet is to bridge this digital divide. Through its operations, the company has been instrumental in solving the last-mile connectivity problem across Nairobi, Kenya.

Thinking outside the box

To cater to low-income groups' needs, Poa!'s business model deviates from conventional telecom providers in Kenya. Rather than relying on conventional 3G and 4G networks, Poa! Internet focuses on creating residential broadband connectivity and free Wi-Fi

street connections. 3G and 4G data bundles typically charge for each unit of internet consumed, whereas Poa!'s approach allows it to charge a fixed price for unlimited internet access. Chief executive Andy Halsall explains why this is critical: "Our solution is not to give people a limited level of internet connectivity, but internet of such a quality and quantity that it can make a meaningful impact." To illustrate his point, the average Kenyan that has access to the internet only uses 200 megabytes of data per month – the equivalent of about 20 minutes of YouTube.

With its focus on lower-income groups, Poa! aims to keep the internet affordable. The company offers internet at a cost up to 90% cheaper than mobile data, which enables it to reach a larger number of consumers. With a lack of existing infrastructure in the areas it serves, Poa! must find innovative solutions to get the internet to its consumers cheaply. To drive down costs, it relies on equipment that uses Wi-Fi spectrum, for which there are no additional fees and there exists a competitive market for, and a set of innovative technologies, including a custom-built software platform, and off-the-shelf inexpensive Wi-Fi components.

At the same time Poa! needs to be flexible, as informal urban settlements deal with a different set of problems than rural communities. Therefore, the company primarily works with local employees who understand the context in which they operate. "There is a Kenyan expression 'vitu kwa ground ni different', which means as much as 'things are different on the ground'. We can't just assume a model that works in the global North works in Kenya as well. This is why at Poa! we built our network and service delivery models from the ground up", contextualizes Dirk-Jan Koeman, Chief Business Development Officer at Poa! Internet. The company also sources its products locally where possible, such as the poles and masts it deploys.

¹⁰ World Bank (2020)



“Our solution is not to give people a limited level of internet connectivity, but internet of such a quality and quantity that it can make a meaningful impact.”



Andy Halsall
CEO at Poa! Internet

◆ Image: Beneficiaries of the Poa! school internet program

Poa!’s internet connections support business activity throughout Nairobi. An owner of a local hair and nail salon shares her experiences with Poa!: “We use Poa! Internet for online marketing to attract more customers, order products for the salon and our customers are able to use our internet when they are getting their hair done”. With the financial support of Africa50, the company has also provided free internet access to schools in underserved communities in Nairobi. By connecting schools, the program is expected to significantly improve students’ computer and internet skills including the use of remote and e-learning platforms. The project commenced in early 2023 with 10 schools, covering over 4,000 pupils in total. “Through the program, the students have not only improved their own digital skills, but they will also be able to transfer their skills to their parents and the community at large”, one of the participating teachers comments on the impact of the program

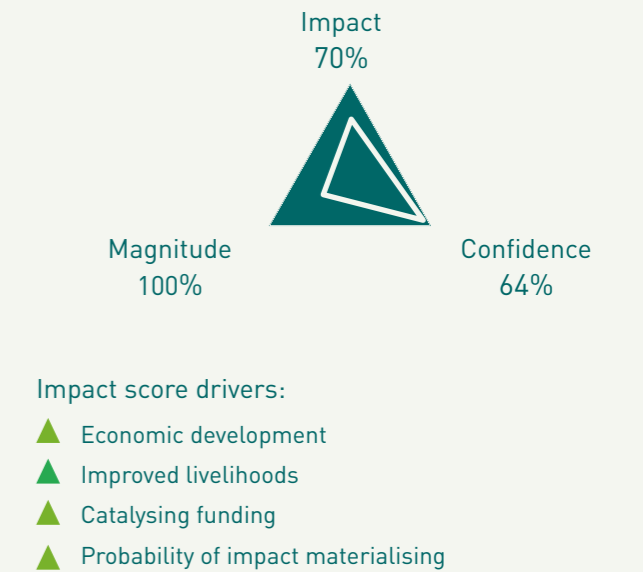
Unlimited internet for all

The company has set an ambitious goal: to provide internet in every African home. Expanding outside of Kenya is therefore pivotal. To achieve this, Poa! is dependent on a larger ecosystem including other telecom providers and international financiers. Since Poa! focuses on the “last mile” problem (getting internet connections to the consumer), it cannot achieve the same types of economies of scale as larger infrastructure projects. Tackling last mile connectivity requires bespoke micro-level interventions that are adapted to local circumstances. To stimulate this endeavor, the company recently received a grant from the U.S. Trade and Development Agency (USTDA) for a study to identify which markets could represent the next opportunities.

Partnership with Africa50

Poa!’s partnership with Africa50 started through the Africa50 Innovation Challenge, which sought affordable and reliable solutions for last-mile internet connectivity across the continent. As both organizations strive to improve Africa’s infrastructure, there was an immediate match. For Poa!, it was challenging to find institutional parties that were willing to look beyond conventional infrastructure models, because of the high-risk nature of the industry. “Africa50’s readiness to take a bet on innovative solutions and its ability to look at problems from a different angle is what makes this a highly valuable cooperation for us”, asserts Mr. Halsall. Africa50’s country shareholder base too is an interesting asset for Poa!, as the company looks to expand beyond Kenya.

Impact score: **74%**



Legend

- ▲ High impact
- ▲ Medium impact

Impact metrics

22,000 connections

Number of Poa! Internet costumers, up 67% from 2021

90% cheaper

The company offers internet at a cost up to 90% cheaper than mobile data


“There is a Kenyan expression ‘vitu kwa ground ni different’, which means as much as ‘things are different on the ground’. We can’t just assume a model that works in the global North works in Kenya as well. This is why at Poa! we built our network and service delivery models from the ground up.”


Dirk Jan Koeman
Chief Business Development Officer at POA! Internet

4.2 AZURA POWER PLATFORM

SUPPORTING A JUST ENERGY TRANSITION



Sector:  Energy

Countries active:  Mozambique, Nigeria, Senegal

Power as a key driver for development

Access to reliable and affordable electricity remains a significant challenge in Sub-Saharan Africa, as the region has the lowest energy access in the world, with an estimated 590 million people lacking access to electricity.¹¹ Increasing energy access is a fundamental driver of economic and social development. Power boosts business activity and productivity and helps to meet basic human needs such as lighting, cooking, heating and security. Azura Power, an independent power producer operating in Nigeria, Senegal, and Mozambique, aims to address this issue by supplying much-needed power to the grid.

Fueling the energy transition

Azura Power operates three power plants with a total capacity of 751 MW, with an additional 1,232 MW of power projects under development. The plants are located in rural areas with low energy penetration rates. Azura's portfolio is currently 85% gas. Seynabou Ba, Group ESG director at Azura Power, explains the significance of gas in the energy

¹¹ [The Economist \(2022\)](#)



◆ Image: Azura community project - soap making

transition: *"Generating power in countries with gas resources and contributing to closing the supply deficit while stabilizing the grid to enable more renewables is at the core of Azura Power's mission".*

The Azura-Edo plant, located in Southern Nigeria, is a prime example of this. This gas-fired plant is helping close Nigeria's energy gap and is well-positioned to play a fundamental role in the future by providing grid stability alongside a more sustainable energy mix. Central Térmica de Ressano Garcia (CTRG), Azura Power's asset in Mozambique is critical in the country's energy portfolio, providing approximately 15% of nationally supplied electricity. Tobene Power, a heavy fuel power plant in Senegal, is ready and eager to convert to gas and decarbonize as soon as this becomes readily accessible in the country.

More than just energy

Azura Power's impact goes beyond merely providing energy. As its operating plants are primarily located in rural areas with limited economic opportunities, Azura Power is committed to contributing to broader economic development in its surrounding communities. Azura Power plants are 99% operated by local employees and run with international standards, which is a remarkable feat in a sector where specific technical skills are required. Azura Power's social impact arm "Power to Change", which was kickstarted at the Azura-Edo plant and now operates at CTRG and Tobene Power as well, invests in social impact projects promoting health, education, water and sanitation, sustainable infrastructure and gender equity, focusing on particular needs in the communities where it operates. These range from providing free eye surgeries to reduce avoidable blindness, offering job training to promote women empowerment such as its soap making initiative, to even constructing football fields to strengthen social cohesion.

Stimulating financial freedom

Azura Power aims to establish projects that have a meaningful and lasting impact on its enabling environment. Ultimately, this entails creating opportunities for people to build sustainable ways of generating income. One example of this is Azura's Microfinance Project, which is currently implemented in Nigeria. Through cooperation with a local microfinance institution, Azura guarantees loans to small-scale entrepreneurs. To date, this has been a highly successful program, with no payment defaults. Microfinance loans disbursed by the Azura initiative are primarily used by businesses and corporate societies for activities such as animal husbandry and artisanry. Due to its success, Azura is looking to expand the program by injecting more capital and rolling it out in other countries.

◆ Image: Azura-Edo grid capacity



Championing ESG excellence

Another vital part of Azura Power's strategy was setting up robust ESG policies and procedures that focus on occupational health, safety, environment and stakeholder engagement. Every plant has an Environmental & Social team on the ground, in addition to a head office E&S team. "Having local ESG staff is key to ownership of the sustainability journey and enhancement of our safety culture. However, what really makes Azura special is our ability to share knowledge across our assets to improve operational excellence. For us ESG is not just a compliance issue but rather part of the sustainability of our business", articulates Seynabou Ba. As a shareholder of Azura Power, Africa50 is part of its ESG committee, and regularly shares best practices on the ESG front with Azura staff.



“By having local representation, we want to make ESG part of our culture, and move beyond ESG as a compliance exercise, and create meaningful lasting social impact.”

Seynabou Ba
Group ESG Director at Azura Power



4.3 SCANNING SYSTEMS

DELIVERING ON THE AfCFTA



Sector:  **Transport and Logistics**

Joint Border posts:  **Burkina Faso, Cote d'Ivoire, Mali and Togo,**

Supporting Joint Border Posts

Scanning Systems is a company specialising in innovative infrastructure projects in the transportation and logistics sector. Based in Cote d'Ivoire, Scanning Systems works to build joint border posts (JBPs) in Africa, pioneering the digitalisation of border crossing formalities across the West Africa region and enhancing efficiencies and transparency as well as reducing revenue leakages for Governments.

To date, Scanning Systems has become the preferred partner of the West African Economic and Monetary Union (WAEMU) for the implementation of JBPs among its Members States. The company has been successfully operating the Cinkansé JBP between Burkina Faso and Togo for over 10 years and is constructing two additional JBPs in Zégoua (Côte d'Ivoire/Mali border) and Laléraba (Burkina Faso/Côte d'Ivoire border).

Cinkansé was the first JBP in the WAEMU region, and is located along the Lomé (Togo)-Ouagadougou (Burkina Faso) corridor, which extends 954 km, of which 677 km falls within Togolese territory and 277 km in Burkinabé territory. The JBP was developed under a 20 year build-operate-transfer (BOT) concession from UEMOA and it followed a

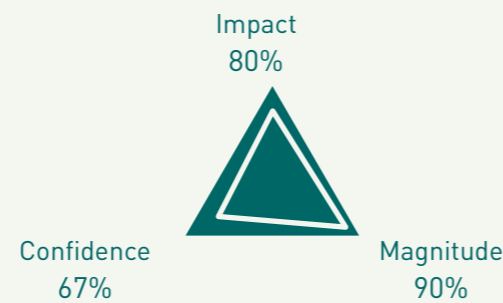
single country model, with the facility located on the Burkina Faso side of the border. Scanning Systems as the concessionaire was responsible for (a) the construction of the facilities including warehouses and parking areas; (b) the necessary equipment for border clearance procedures; (c) the installation of a digitized document management system; and (d) the development of a cargo tracking system.

A March 2018 study prepared for UEMOA and AfDB showed reductions in border crossing time from 2 days in 2011 to 3 hours and 45 minutes in January 2018, and transit traffic flows at the border have substantially improved. The processing time of transit documents by Burkinabé and Togolese customs authorities was also reduced from 10 hours in 2011 to 2 hours and 26 minutes in 2018. In addition, the average journey time for heavy goods vehicles along the corridor was reduced from 6 days in 2011 to 2.42 days in 2018. Further, the volume of transit

◆ Image: 3D aerial view mock up



Impact score: **79%**



Impact score drivers:

- ▲ Economic development
- ▲ Improved livelihoods
- ▲ Catalysing funding
- ▲ Probability of impact materialising

Legend

- ▲ High impact
- ▲ Medium impact

Impact metrics

15% of national electricity supply

In CTRG, Azura Power's plant in Mozambique provides approximately 15% of nationally supplied electricity

100%* local jobs

100% of total jobs created are filled by local employees at Azura-Edo and CTRG

* excluding Tobene plant



◆ Image: Scanning Systems Border post

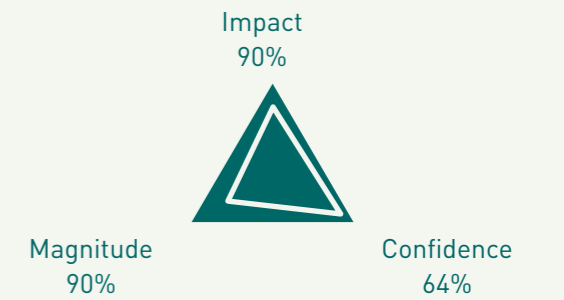
line with our development strategy,” explains Wilfrid Flottes de Pouzols, Deputy General Director at Scanning Systems.

According to data from the African Union and the International Monetary Fund, intra-African regional trade is only 13% compared to other markets such as Europe at 60%, ASEAN at 30% and North America at 40%. JBPs are therefore key in driving interconnectivity between nations and deepening regional market integration. The development of JBPs are critical in the realisation of the African Unions Agenda 2063, where a single processing facility between two countries is established, with market leading technology, harmonized regulatory frameworks and through the digitalization of documentation and processes to speed up the movement of goods, services and people.

Africa50 as a partner

There are currently 12 JBPs in West Africa, and the goal is for every border in the region to have a JBP. With many African countries facing high debt burdens, the role of Public Private Partnerships (PPPs) in financing such projects has become necessary. Africa50, as a leading infrastructure developer and financier is thus working with Scanning Systems, and providing structuring, legal and financing expertise to accelerate the rollout of additional JBPs in the region. In this partnership, Scanning Systems brings technological expertise and a track record, while Africa50 brings strong government relationships and regulatory knowledge to help streamline the development process. According to Kader Hassane, Senior Director at Africa50, “Africa50 can be a bridge between Scanning Systems and local governments. There is an element of implied trust; Scanning Systems is a private company, Africa50 is not.”

Impact score: **81%**



Impact score drivers:

- ▲ Regional integration
- ▲ Economic development
- ▲ Catalysing funding
- ▲ Probability of impact materialising

Legend

- ▲ High impact
- ▲ Medium impact
- ▲ Low impact or no impact / not influenced by Africa50

Impact metrics

Significantly reduced border crossing time

A study showed reductions in border crossing time from 2 days in 2011 to 3 hours and 45 minutes in January 2018 for the Cinkansé JBP

Intra-African Trade Increase

Trade between African countries is only 13% of total African trade, compared to 60% for Europe, 30% for ASEAN and 40% for North America

“ We are proud to have Africa50 as a strategic shareholder of Scanning Systems. Africa50 is bringing its extensive experience in infrastructure project development and management to support the implementation of the company’s projects. ”

Wilfrid Flottes de Pouzols
Deputy General Director
at Scanning Systems



traffic vehicles at Cinkansé increased to 900 per day in 2018.¹²

Scanning Systems is therefore playing a leading role in West Africa in addressing the African Continental Free Trade Area’s aim to enable the free flow of goods and services across the continent and create a single market through connecting African countries and tapping into 1.3 billion people. “The development of infrastructure such as JBPs is critical to facilitating intra-regional trade and investment and hence enabling companies to take advantage of Africa’s rapidly growing markets. The entry into force of the AfCFTA which will promote the increase of business competitiveness by removing trade barriers is fully in

12 NEPAD (2022)



4.4 GIVING BACK: CSR INITIATIVES

Besides the direct developmental impact made through our investments, Africa50 also contributes to development through the implementation of Corporate Social Responsibility (CSR) projects in our focus sectors. These include supported projects of our portfolio companies, as well as Africa50 standalone initiatives. CSR projects are essential as they emphasize a need for responsible investing which goes beyond financial returns and stresses the importance of social and environmental impact.



ICT

Poa! Internet – School Digitization Programme

Africa50 financially contributes to a school digitization programme in Kenya, in a joint initiative with Poa! Internet, one of Africa50's investees, and Digital Education Africa Network (DEAN), a Dutch NGO. Through Africa50's contribution, 4,000 students in Kenya's underserved communities will receive free Internet access. The project includes connecting new schools, upgrading existing ones with more bandwidth and coverage, and equipping schools with devices such as laptops and projectors. The initiative also comprises teacher training and content development. This effort contributes to achieving several Sustainable Development Goals, including SDG 4 and SDG 10, which aim to provide inclusive

and equitable quality education for all and reduce inequality within and among countries. In 2022, the program has upgraded and equipped ten schools in Kenya with wireless internet.

Al-Jisr Foundation

Founded in 1999, Al-Jisr is an educational institution that helps early school leavers and university students from Morocco with computer maintenance training, deploying refurbished computer equipment. The aim of Al-Jisr is to improve the performance of the Moroccan education system and integrate young Moroccans into the labour market. As part of its CSR activities, Africa50 has donated laptops, mobile phones and office equipment to Al-Jisr.

◆ Image: Beneficiaries of the Poa! school internet program



◆ Image: AESVT: 60,000 Tree Planting Initiative with Africa50



◆ Image: Solar Sister



Education

L'Association des Enseignants des Sciences de la Vie et de la Terre (AESVT)

Since 1994, AESVT has aimed to build a modern and inclusive society based on sustainable development principles. They operate in 18 Moroccan cities, offering education and trainings on climate change adaptation, integrated water resource management, waste and natural resources management. Africa50 funded AESVT's Green Week and both organizations partnered up for the 2023 Environment Day in Morocco where the 60,000 Tree Planting Initiative was launched.

Africa Infrastructure Development Association

The AfIDA Network aims to encourage and facilitate project development initiatives in Africa. It achieves this by establishing a platform and ecosystem that nurtures consistent communication amongst its members. The network advocates for the advancement of project development through thought leadership and capacity building. AfIDA launched the Catapult Initiative, which aims to train more than 50 infrastructure project developers. The goal of the program is to create a basis for better project development outcomes across the continent. Africa50 contributed US\$12,000 to the initiative.



Energy

Solar Sister

Solar Sister is an organization that invests in local female entrepreneurs across Africa to start, grow and sustain successful clean energy businesses and deliver reliable clean energy solutions to the most energy poor and vulnerable communities in Sub-Saharan Africa. In 2022, Solar Sister supported 8,500 entrepreneurs (87% female) and reached over 3,879,000 people in Africa with clean energy.

In 2022, Africa50 made a financial contribution of US\$50,000 to Solar Sister, used to recruit, train and provide women with the necessary equipment in Tanzania, Nigeria and Kenya.



LOOKING BACK: REFLECTIONS ON COP27 AND AGIA

The impact of climate change is intensifying across the African continent. Temperatures are rising, with the continent warming faster than the global average over both land and sea. 52 million people — approximately 4% of Africa’s population — have been directly impacted by droughts and floods over the past 2 years.¹³ Climate change continues to impede Africa’s development, food systems are adversely impacted by climate extremes and climate change induced disasters precipitate forced migrations.

Financing climate adaptation and investments in resilient green infrastructure is therefore crucial. The costs of climate adaptation action in Sub-Saharan Africa are estimated to be less than a tenth

of the cost of inaction, which could rise to more than US\$ 201 billion per year.¹⁴ While investing in climate adaptation has received limited capital at US\$11 billion in 2020.¹⁵ It is imperative that the African continent prioritizes sustainable and resilient green infrastructure investment and climate adaptation finance. To help accelerate this agenda, Africa50 is proud to play a role in the much needed drive to finance the transition to Net-Zero in Africa, at speed and at scale. At COP27 in Egypt, Africa50 launched, together with the African Development Bank and the African Union Commission, the Alliance for Green Infrastructure in Africa (AGIA), which seeks to raise project preparation and project development capital for green infrastructure projects across Africa.

5

LOOKING BACK: REFLECTIONS ON COP27 AND AGIA

5.1 FURTHER REFLECTIONS: AN INTERVIEW WITH DIRECTOR OF STRATEGY



¹³ [Global Center on Adaptation \(2022\)](#)
¹⁴ [World Bank \(2022\)](#)
¹⁵ [Global Center on Adaptation \(2022\)](#)

Further reflections: An interview with Molly Gbodimowo, Director of Strategy

Omolara “Molly” Gbodimowo is Director of Strategy at Africa50. She has been instrumental in driving key Africa50 strategic initiatives including AGIA. We look back with Molly on the past year, reflecting on COP27 and the future of AGIA in particular.



Omolara “Molly” Gbodimowo
Director of Strategy

A major highlight of last year must have been COP27, dubbed “Africa’s COP”, in which the “just transition” and the need to finance climate resilience and adaptation and most importantly implement such projects really came to the forefront. What was your biggest takeaway?

It was paramount that Africa got a seat at the table to express our needs and suggest responses at COP27. Looking back at the conference, this really shines through, as a just transition and climate resilience are topics that resonate across the African continent. From an Africa50 perspective, I’m proud that global and African initiatives are beginning to address these issues that came about from COP27, amongst which the launch of AGIA stands out the most to me.

Can you tell us a bit more about AGIA? What is its genesis and why is it important?

The initiative was launched by the African Development Bank (AfDB), African Union and Africa50 during COP27, in partnership with several global partners, including the European Bank for Reconstruction and Development, Rockefeller Foundation and US Trade and Development Agency. The mission of the Alliance is to help scale and accelerate financing for green infrastructure projects in Africa, while also contributing to a just and equitable transition to Net-Zero. Its strategic objectives are twofold. The first is to develop a pipeline of transformational bankable projects. The second is to catalyze financing at scale and speed for Africa’s transition to Net-Zero. The goal is to raise US\$500 million of capital to mobilize US\$10 billion worth of investments in green and climate resilient infrastructure.



◆ Image: Nachtigal Hydro Power Plant, Cameroon

“The goal of AGIA is to mobilize US\$10 billion worth of investments in green and climate resilient infrastructure.”

This seems like an ambitious target. What do you believe will make AGIA successful?

The Alliance uses an end-to-end approach, as it is involved in project identification and preparation, development, financing, and implementation. With a group of renowned organizations as members, AGIA can function as a seal of approval for investments, which is especially important considering the risk appetite of private investors towards Africa. Within the Alliance, we are leveraging the different skillsets of its members to make it a success. For example, EBRD and AfDB are traditionally more focused on project preparation, while Africa50 develops and brings projects to bankability, substantially de-risking investments. The African sovereign wealth funds add local knowledge and provide additional de-risking and capital, with “new” investors providing the additional leverage to scale up.

What do you see as the biggest challenges for AGIA?

A key challenge is obviously fundraising, which requires a targeted approach. We will strategically be looking at a broad and new pool of capital, ranging from private and climate investors and philanthropists to development finance institutions. A condition that makes financing more attractive for risk-averse investors is that projects currently will only be eligible if they can meet financial close within 3 years. The involvement of Africa50 and other renowned institutions brings a lot of trust and credibility to AGIA, which should trigger more private sector involvement.

Another issue is finding and developing projects that fit the criteria yet have the potential to be scaled up and create significant impact. Therefore, AGIA must also be innovative in its investment approach. This requires a “Yes, and how do we build in climate resilience.” mentality, and not a “Yes, but...” mentality, when it comes to project development. In my opinion, Africa50 has the DNA to implement AGIA, as it is one of the few entities that can generate the necessary pipeline of projects and more importantly has the requisite project development expertise.

What are the types of projects AGIA will invest in?

Essentially, Africa50’s focus is on practical, implementable projects that can generate meaningful outcomes as well as deliver attractive risk-adjusted returns. This approach will also apply to AGIA and its sectors, whether investments are in traditional sectors such as transport and education or emerging ones like green hydrogen and e-mobility. Projects differ in size, as we support both - large utility-scale solar projects as well as smaller venture businesses like low-income internet and power connectivity solutions.

“We must move on from a “Yes, but...” mentality, when it comes to project development, and be innovative in coming up with solutions”



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