



Press Release: (Embargoed for release on 22-26<sup>th</sup> April 2024)

## **RE: FSD Africa Investments and Allied Climate Partners collaborate to attract catalytic equity to African funds focused on early-stage, climate-related opportunities**

FSD Africa Investments and Allied Climate Partners have today entered into an Memorandum of Understanding and will partner to address a critical financing gap for climate infrastructure, mitigation and adaptation in Africa. This aligns with the core missions of both organizations: to increase the number of bankable opportunities for climate-related investment, increase private sector participation, improve livelihoods, and mitigate the effects of climate change across Africa.

FSD Africa Investments (FSDAi) invests to make finance work for Africa by allocating catalytic capital to market shaping instruments, intermediaries and infrastructure and has cumulatively invested US\$ 105 million with a portfolio of 19 projects.

Allied Climate Partners (ACP) seeks to aggregate approximately US\$ 825 million backed by US\$ 235 million in philanthropic capital to support the establishment of third-party funds, platforms, and other investments in early and development stages of climate-related projects in Africa, Southeast Asia, India, and the Caribbean & Central America. Allied Climate Partners invests junior, first-loss equity in regionally focused third-party funds. ACP announced its [inaugural investment into the Southeast Asia Clean Energy Fund II](#), managed by Clime Capital, in January, and is seeking to replicate similar investments in other regions.

Speaking during the MoU signing ceremony on the sidelines of the ongoing AVCA annual summit in Johannesburg, South Africa, FSDAi Chief Investment Officer Anne-Marie Chidzero hailed the collaboration as one that will support Africa to meet her ambitious climate finance goals. *“For the African continent to meet her NDCs, we must raise tenfold current annual climate finance levels to US\$ 277 billion, and the share of private capital to at least US\$ 100 billion. Working with ACP, we will be able to catalyse and crowd in more innovative and green finance for greater action”*, said Chidzero.

ACP Chief Executive Officer Ahmed Saeed noted that this collaboration will drive innovation across the African continent, specifically mobilising more climate finance for Africa. *“There is a critical gap in climate finance, and specifically risk-oriented equity, available for emerging and developing economies to meet climate and energy transition goals. We are thrilled to partner with FSDAi, a pioneering organisation at the forefront of strengthening private sector participation and financial markets in Africa. Together, we hope to attract more risk-oriented capital for early-stage investments in Africa, by*

*establishing new, catalytic, blended finance solutions that will leverage public and private capital to tackle the climate crisis”, explained Saeed.*

Working in concert, FSD Africa Investments and Allied Climate Partners will identify, evaluate, and seek to invest in highly catalytic financing solutions in Africa that increase investment for early-stage project development and companies deploying climate-related infrastructure in Africa. The sectors to be targeted owing to their potential to accelerate a low-carbon transition and improve livelihoods include: clean energy generation and transmission; electric transportation; green industry; and, water and waste management. Selected investment managers will seek to invest in high-leverage and catalytic projects, platforms and companies with demonstrable and positive impact on climate in Africa, and which have the potential to mobilise third-party capital at scale.

### **Notes to Editors**

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### **About FSD Africa Investments**

FSD Africa Investments (FSDAi) alongside FSD Africa, is a UK International Development funded regional program, based in Kenya, that operates in over 30 countries to make finance work for Africa's future. FSDAi invests in novel financial instruments, facilities, and intermediaries to support of policy objectives and accelerate the role of finance in Africa's green economic growth. FSDAi, a private company with shareholders including FSD Africa and the UK's FCDO, employs diverse investment instruments while embracing considerable risk. FSDAi bridges funding gaps by supporting novel financial solutions for transformative change in Africa's financial markets to deliver better-quality jobs and economic opportunities, equitable access to basic services, reduction of human vulnerability and inequity, and environmental benefits. For more information, visit <https://fsdafrica.org/our-work/fsdai/>.

### **About Allied Climate Partners**

[Allied Climate Partners](#) (ACP) is a philanthropic investment organization with a mission to accelerate the climate transition and improve livelihoods in emerging economies by increasing the flow of capital to bankable, climate-related projects and businesses. ACP selects regional investment managers in emerging economies and supports them with first-loss capital, expertise, and the mandate to address a critical financing gap at the early, risk-oriented stages of the development process for climate-related projects and asset-oriented businesses. Without this support, many projects and businesses struggle to attract the necessary capital to achieve their climate-related goals. By proving this model,

ACP aims to induce commercially oriented public and private sector investors to invest where they likely would not otherwise.