



AFSIC interview with Chris Chijiutomi, MD & Head of Africa, British International Investment

SMEs are the life source of employment in Africa—how is BII supporting this sector?

We recognise that SMEs in Africa are critical to driving economic growth, creating jobs, fuelling innovation, and supporting delivery of the SDGs. And as a long-standing investment partner to businesses in Africa, we have been supporting SMEs for decades and in several ways.

One of the greatest challenges that SMEs face, is accessing the finance they need to grow. This is where we come in. Our investments in private equity funds such as the [Africa Rivers Fund](#) and [Takura](#), is providing smaller investments than we can to SMEs and entrepreneurs of early-stage businesses with strong growth and impact potential. We provide directed funding to banks across the continent, including our recent investments with [Zanaco](#) in Zambia and [COFINA](#) in Cote d'Ivoire to on-lend to SMEs.

We also provide trade finance lines through a number of the pan-African banks which are utilised by SMEs across the continent such as our \$100 million risk-sharing facility with [Citi Bank](#) to support local businesses in frontier and developing economies.

However, given the critical nature of the SME segment to Africa's growth, we wanted to do more and bridge the financing gap between banks and private equity funds. This led to BII setting up a new platform company – [Growth Investment Partners](#) (GIP) – which invests in SMEs at scale in key markets across the continent. The first of these platform companies was launched last year with GIP Ghana and we are currently replicating the model in the next country. GIP is a local evergreen investment company, set up at a country level, with the ability to provide flexible local currency growth capital to SMEs.

Our partnerships provide more than capital. We offer innovative technical assistance, training, and access to experts, through initiatives such as the [Ghana Investment Support Programme](#), to support

SMEs in becoming investment-ready and upskilling local business leaders to transform their ideas into sustainable and productive businesses.

What challenges and risks do you foresee in the African market, and how does BII navigate and mitigate them?

For over 75 years, we have been strategically investing in African businesses. BII's expansive footprint across Africa enhances our ability to closely monitor policy shifts, regulatory changes, and macroeconomic trends across our portfolio companies' operating landscape.

Our approach is geared towards aligning investment protection, ethics, and growth strategies that build resilience for businesses navigating complex risks, such as the climate crisis or the threat of future pandemics.

Overall, the cost of capital has escalated around the world, particularly in the last 18-24 months. In Africa particularly, the cost of doing business remains prohibitive in parts of the continent and this is mainly because of the lack of basic infrastructure such as paved roads, electricity, transparent framework etc. Currency devaluation and therefore related risk have also constrained opportunities for exits in investments.

On the macroeconomic front, Africa, like much of the rest of the world, faces various external challenges. The good news is that sub-Saharan Africa's economy is returning to stability after a few challenging years. The [International Monetary Fund](#) projects growth in 2024 to increase to 3.8 per cent, up from 3.4 per cent last year. Inflation has halved in the early months of this year thanks to fast action by central banks to slow the rise in food prices in a region where the cost-of-living crisis has become either divisive or unbearable.

Global and local partnerships and coordination remain vital to navigating and addressing some of these issues – which is why we are working even more closely with multilateral development banks and other development finance institutions and participating at key international gatherings such as the World Bank Meetings and annual COP meetings.

Political risk remains in sharp focus, but by leveraging the deep local partnerships I just referred to, we can better manage risks that present themselves. This helps us respond to and design innovative platforms to boost investment, for example in clean energy such as Globeleq, and Gridworks. Our investment tool kit includes equity, debt, guarantees, syndication models, and capital market instruments such as bonds. Our flexible funding and broad financial toolkit means we can be agile in developing bespoke solutions for our partners.

How does your company approach partnerships with local businesses and governments to foster economic development in the regions where you operate?

We have a strong and growing on-ground presence covering the four corners of the continent, from Cairo to Johannesburg and Nairobi to Lagos, and teams in Ghana and Zimbabwe. We are impact-led

and commercially rigorous and we invest patient capital to stimulate productive, sustainable, inclusive economies.

Our local networks enable us to address the specific needs of our diverse partners, whether they are businesses, entrepreneurs, pension funds, philanthropic foundations, or family offices in Africa. Our track record of success and on-ground presence empowers us to innovate in collaboration with central banks and national governments, bolstered by our partnership with the Foreign Commonwealth and Development Office (FCDO), our shareholder.

What are you hoping to achieve at AFSIC 2024?

We have been partnering with AFSIC for many years, and as Africa's longest established impact investing institution, our objective remains constant: to demonstrate our commitment to growing African businesses and supporting economies through our investments, expertise, and support as a patient capital investor. AFSIC is also a gathering of key partners where we are able to share knowledge, experience and discuss how to continue to impact the lives of people in Africa through investments. We currently partner with over 1,500 companies in Africa, Asia and the Caribbean, and our total assets now exceed £8.5 billion.

About AFSIC – Investing in Africa:

AFSIC – Investing in Africa has become perhaps Africa's most important annual investment event. AFSIC is wholly focused on accelerating Africa's economic emergence by matching investment opportunities in Africa transforming Africa's business, trade and investment environment sustainably growing Africa's economy and increasing African incomes in all business sectors at a continental scale.

African Investments Limited (www.africaninvestments.ai), operates two multi award-winning digital platforms, the **African Investments Dashboard** which matches investment opportunities to our global network of institutional investors and the **Africa Business Opportunities Dashboard**, which matches business, trade and investment opportunities across Africa covering all business products, sectors, countries in Africa and multiple business objectives. The digital platforms won the global 2022 Salesforce Partner Innovation Award for Financial Services.