

Impact manager Acre raises \$100m for African climate infrastructure

By [Virginia Fumess](#)

17 Apr 2024

Two former BNP Paribas bankers have raised almost \$100m for a new fund which aims to unlock billions of dollars of funding for climate-aligned infrastructure projects in Africa.



Image source: Tanarat Kongchuenjit – [123RF.com](#)

Acre Impact Capital, a private-debt impact investment manager, is looking to address the estimated \$100bn annual infrastructure financing gap on the continent by providing a portion of the unsecured funding for export finance projects.

Typically, export credit agencies guarantee up to 85% of loans and require the rest to be raised privately, yet banks' willingness to fund the remainder has declined as such projects carry a higher capital charge and can be hard to reinsure.

As result, as many as half of all deals that an export credit agency would back do not get done, Acre chief executive Hussein Sefian told *Reuters*.

"We enable a transaction that would not happen otherwise as there is no insurance capacity and banks are not able to (without it)," he said. "We can come in and help them close a deal by providing that 15%, that's really where we add value in the market."



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The fund, which aims to back projects in areas including renewable energy, health, food and water, will look to mobilise \$5.60 of private sector capital for each dollar invested, he said. Acre will charge a management fee for running the fund.

Among the fund's backers are the European Investment Bank, commercial lenders including Standard Bank and Rand Merchant Bank and specialist "impact" investors, which seek to achieve a measurable social impact as well as making a financial return.

Export credit agencies, such as UK Export Finance support some \$250bn of annual financing to emerging markets, according to the United Nations Environment Programme Finance Initiative, making them an important source of funding for developing countries.

By contrast, multilateral development banks, such as the World Bank provide around \$260bn annually, UNEP FI added.

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