

**Ex-Ante Evaluation (for Private Sector Investment Finance)**  
**Private Sector Investment Finance Division 2**  
**Private Sector Partnership and Finance Department**  
**Japan International Cooperation Agency**

**1. Name of the Project**

- (1) Region: Pan-African region
- (2) Project Name: Project for Promotion of Industrial Development in Africa by Private Equity Fund (the “Project”)
- (3) Investee Name: Helios Investors V, L.P. (the “Helios Fund V”)
- (4) Signing Date: November 12, 2025

**2. Background and Necessity of the Project**

- (1) Current Status and Issues of the Private Equity Market in Africa and the Priority of the Project

Population in Africa is growing rapidly, with projections indicating that by 2050, one-quarter of the world's population will reside on the African continent (United Nations, 2024). While rapid population growth and urbanization expand demand and create diverse opportunities over the continent, many countries lack sufficient industrial foundations such as financial services and digital infrastructure. This situation carries numerous challenges, including low labor productivity, widening poverty and economic disparities, and gender inequality.

Africa faces substantial funding needs to meet the increased demand driven by population growth and urbanization, as well as to achieve the SDGs and the goals of the AU's Agenda 2063. However, the capital deployed remains limited, resulting in a huge funding gap.

For businesses in Africa, it is structurally challenging to borrow from traditional lenders (such as commercial banks) as a means of financing. Consequently, investment from private capital sources such as Private Equity (“PE”) and Venture Capital (“VC”) has been increasing in the region in recent years, complementing traditional commercial bank-led financial intermediation.

Among these, PE primarily invests in unlisted late-stage companies. They not only inject capital into portfolio companies but also aim to enhance corporate value through operational value-creation and other means, thereby contributing to the scaling up of businesses. Furthermore, investments by PE funds in Africa are vital because they can foster industries by promoting innovation and creating jobs within portfolio companies, potentially generating a positive cycle that leads to financial and digital inclusion for beneficiaries.

Nevertheless, the global PE market currently faces a shortage of capital (Bloomberg, 2023). Due to the complicated factors such as the global surge in food and energy prices as well as the depreciation of local currencies, Africa has fallen into a state of high inflation across the continent. As a result, the uncertainty in the African economy has increased, leading to a continuing decline in the number of transactions involving private capital in the region. Particularly for PE, the transaction value has significantly decreased (AVCA, 2024).

Amid such circumstances, the Project aims to contribute to industrial development in the Pan-African region by/through investing in a leading private equity fund specializing in Africa, thereby promoting the competitiveness of

companies. In Africa, a region facing structural challenges, the role of PEs is growing in importance for strengthening industrial competitiveness and infrastructure, and achieving sustainable growth. Thus, the deployment of risk capital by development finance institutions (“DFIs”) plays a crucial role in promoting market expansion. Therefore, supporting PE funds that lead and sustain investment and value creation in the region is highly important.

(2) Japan's and JICA's Cooperation Policies for the Private Sector in Africa and the Positioning of the Project

At TICAD9 in 2025, the Government of Japan, under the theme of “Co-create innovative solutions with Africa” declared its aim to promote comprehensive growth and achieve a prosperous and integrated Africa based on sustainable development. This includes advancing private capital mobilization, regional integration, and enhanced connectivity within and beyond Africa, as well as strengthening industrial ecosystems through innovation and human resource development (Ministry of Foreign Affairs, 2025). Under its Global Agenda “Private Sector Development,” JICA prioritizes promoting innovation and job creation through private sector support to achieve sustainable economic development in developing countries and regions. In addition, JICA launched the “IDEA Initiative” as an effort to promote impact investing in Africa at TICAD9, and is working on impact investments with co-creating partners, including private investors.

As outlined above, the Project advances the solutions to social challenges and industrial development through the fund advised by Helios, aligning with the policy directions of Japan and JICA.

### **3. Project Description**

(1) Project Objectives

This project aims to contribute to industrial development in the Pan-African region by/through investing in Helios Investors V, L.P., a fifth private equity fund advised by Helios Investment Partners (“Helios”), a leading private equity fund specializing in Africa, thereby promoting the competitiveness of companies and improving access to finance in the region.

(2) Target Area: Pan-African region

(3) Project Components: Investment in growth companies and businesses in Africa through investing in Helios Fund V, which Helios is the fund’s investment advisor.

(4) Estimated Project Cost: \$750 million

(5) Project Implementation Structure:

Investee: Helios Investors V, L.P.

(6) Collaboration and Sharing of Roles with Other Donors: JICA co-invests in Helios Fund V with DFIs such as IFC and EIB.

(7) Environmental and Social Considerations

1 Category classification: FI

2 Reason for Categorization: Sub-projects cannot be specified prior to JICA's approval for financing, and they may have environmental impacts under the JICA Guidelines for Environmental and Social Considerations (January, 2022).

- (8) Cross-Sectoral Issues: Helios has set Climate Action as one of its key impact priorities. When evaluating individual investment opportunities, it assesses climate change risks and impacts on biodiversity based on its own ESG-MS framework. Where necessary, it requires portfolio companies to implement climate change mitigation measures, such as proposing GHG emission reduction strategies or developing climate-resilient products. Additionally, Helios has stated that this fund will report GHG emissions at the portfolio company level.
- (9) Gender Classification: GI(S) (Gender Activity Integration Case)  
<Details of Activities/Reason for Categorization>  
In Africa, gender inequality in labor conditions is pronounced, with women disproportionately represented in unstable employment such as the informal sector. The Inequality Index indicates this remains at a severe level compared to other regions. To address this gender challenge, Helios has agreed that at least 50% of portfolio companies will meet the 2XChallenge eligible criteria by the fund's exit. Furthermore, at both the fund level and the individual portfolio company level, specific initiatives will be implemented to contribute to gender equality and women's empowerment. These include identifying risks and implementing corrective measures from an equal opportunity and gender perspective, as well as supporting portfolio companies in developing products that contribute to gender equality.
- (10) Other notes: N/A

#### 4. Targeted Outcomes

(1) Quantitative effects

Indicator*	Baseline value (Actual value in August 2025)	Target value (2035) (at the end of the Fund term)
The total number of portfolio companies invested by partnership	0	10
The total amount invested by partnership, including follow-on investments (USD)	\$0	To be determined on Final Closing Date
[The total number of direct jobs created]	To be determined when Portfolio Companies are determined	To be determined when Portfolio Companies are determined
[The total number of direct female jobs created]	To be determined when Portfolio Companies are determined	To be determined when Portfolio Companies are determined
[The total number of users to whom financial services become accessible]	To be determined when Portfolio Companies are	To be determined when Portfolio Companies are

	determined	determined
[The total contracted capacity (MW) (for data center projects)]	To be determined when Portfolio Companies are determined	To be determined when Portfolio Companies are determined
Portfolio companies at origination meeting one of the 2x Criteria (% of total)	0	50

\*Indicators within square brackets ("[ ]") are provisional and will be determined in consultation with Helios and tailored to the nature of each project at the time of individual investment.

(2) Qualitative effects

Creating employment; Promotion of digital transformation; Reducing regional disparities; Enhancing productivity; Reducing poverty through jobs creation

## 5. External Factors and Risk Control

N/A

## 6. Lessons Learned from Past Project

(1) Evaluation results of similar projects

In the JICA's past fund investments., the following lessons were learned: (a) the importance of JICA's monitoring of fund performance, (b) confirmation of basic investment terms for investees, and (c) appropriate portfolio diversification.

(2) Lessons Learned for the Project

During the due diligence, we have : (a) scrutinized the content of reporting, particularly the level of disclosure regarding the performance of investees and other relevant information; (b) verified the fundamental investment terms Helios requires of investees; (c) assessed risks based on market outlooks for target countries and sectors, confirmed risk mitigation measures, and evaluated the capabilities of key members.

## 7. Evaluation Results

As outlined above, the Project is aligned with the development issues and policies of African region, as well as Japan's cooperation policy. The Project also has a feasible and achievable business. Therefore, the support for this project through Private Sector Investment Finance is justified.

## 8. Plan for Future Evaluation

(1) Indicators to be Used

As described in 4.

(2) Future Evaluation Schedule

Ex-post evaluation is scheduled for 2035.

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