Ex-Ante Evaluation for Private Capital Mobilization Financing

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１． Name of the Project

（１） Region: Sub-Sahara Africa Region

（２） Project: Africa Climate-Tech Start-up Investment Promotion Project (hereinafter referred to as "the Project")

（３） Investee Name: Persistent Africa Climate Venture Builder Fund, LP (hereinafter referred to as "the Fund")

（４） Signing Date: March 9, 2026

２． Background and Necessity of the Project

(1) Current State and Issues of the Private Sector and the Priority of the Project in the region

As of 2020, 41% of Africa's total population was aged under 15, and the total population is projected to increase from 1.3 billion in 2019 to 2.4 billion by 2050 (African Development Bank, 2021). At the same time, many African countries remain heavily dependent on primary commodities such as oil, minerals, and agricultural products, and face challenges associated with narrow and low value-added industrial structures. As the working-age population continues to expand, the persistence of such a low-value-added industrial structure could lead to a range of social challenges, including rising unemployment and sluggish growth in per capita income. In addition, although Africa accounted for only about 3.5% of global greenhouse gas emissions in 2022 (IEA), missions by Africa had increased by approximately 90% compared to 2000. And, Africa is currently one of the regions considered most vulnerable to climate change. Between 2010 and 2020, the mortality rate from floods, droughts, and storms was 15 times higher than in other regions with low vulnerability. Climate change has cross-sectoral impacts that hinder Africa's growth, including reduced agricultural productivity, the spread of foodborne and infectious diseases, the expansion of informal urban settlements due to involuntary migration, and increased conflicts related to resource scarcity (IPCC Sixth Assessment Report, 2023). Addressing these challenges requires both the reduction of greenhouse gas emissions and the strengthening of climate resilience through the adoption of clean technologies.

Against this backdrop, the African Union (AU)'s Agenda 2063 has set out a vision to promote entrepreneurship by improving the business environment and optimizing regulatory frameworks, while also advancing a climate-resilient and low-carbon economy through measures such as enhanced energy efficiency. Africa has a relatively high proportion of entrepreneurs within its working-age population compared to other regions. With experiences of innovation - such as mobile payments and digital healthcare platforms - and a deep-rooted culture of entrepreneurship, entrepreneurs play a significant role in addressing climate change.

On the other hand, venture capital (VC) investment remains limited in Africa compared to other regions. In 2023, Asia saw 7,022 venture capital deals totaling USD 78.1 billion, whereas Africa recorded only 545 deals amounting to USD 3.6 billion. While the African VC market has expanded significantly over the past decade - from just 69 deals (totalling USD 400 million) observed in 2014- investment declined in 2023 and 2024 compared to the previous year. This is partly attributable to decreased investment from North America, amid the challenging macroeconomic environment. Investments in seed-to-early-stage companies are currently also on the decline. To accumulate successful cases of solving social issues, it is necessary to secure rapid financing channels for innovative startups. However, many startups have a limited fundraising track record and often struggle to provide sufficient collateral. While management support is effective for the growth of startups, initiatives in various countries are often limited to hosting events, and comprehensive support systems are not necessarily in place. As a result, startups and potential entrepreneurs have limited opportunities to receive appropriate guidance and advisory support.

In response to these challenges the Project aims to mobilize private capital through catalytic investment in a fund managed by the venture capital firm Persistent Energy Capital LLC. The Project provides risk capital to startups in Sub-Sahara Africa, while also providing venture-building support to strengthen their management capabilities. The Project aims to foster the development and expansion of startups, thereby contributing to the promotion of a low-carbon economy in the region.

（2） Japan’s and JICA’s Policy Cooperation Policy and Operations in the Private Sector in the region

At TICAD9 in 2025, the Government of Japan, under the theme of “Co-create innovative solutions with Africa,” declared its goal to promote a 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). In this connection, this is the first project to be implemented under Private Capital Mobilization Financing (Blended Finance Window), a new scheme announced at TICAD 9 to make catalytic investment in funds to attract private capital. In JICA’s “JICA Global Agenda,” No. 4 (Private Sector Development) identifies the issue of corporate access to finance in Africa as a major constraint on business growth that requires improvement. Furthermore, No. 3 (Energy and Mining) and 16 (Climate Change) of the JICA Global Agenda commit to cooperation for the transition toward a decarbonized society. The Project is consistent with these policies of the Government of Japan and JICA.

３． Project Description

（１） Project Description

1 Project Objective: The objective of the Project is to improve financial access for startups in Sub-Saharan Africa, primarily those related to the

energy transition, by investing in the regional venture fund, thereby contributing to the promotion of a low-carbon economy in the region.

2 Project Components: The Fund will invest in, and provide venture building support to, African startups. The Project will receive dividends and distributions from the Fund, based primarily on the returns realized by the sale of equity stakes of the Fund’s investees.

（2） Estimated Project Cost: $70 million (JICA’s investment: $10 million)

（3） Investee: Persistent Africa Climate Venture Builder Fund, LP

（4） Collaboration and Sharing of Roles with Other Donors: The Project is a co-investment project with development finance institutions and private investors, including African Development Bank (AfDB), Nordic Development Fund (NDF), FSD Africa Investments (FSDAi), and Impact Fund Denmark (IFDK). In addition, NDF and Dutch Entrepreneurial Development Bank (FMO) provide support to the Venture Building Facility.

(5) Environmental and Social Consideration

1 Category: 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).

（6） Cross-Sectoral Issues: The Project includes renewable energy as one of its primary investment sectors and includes renewable energy capacity and CO_2 emissions reductions in its project outcomes. As it encompasses sub-projects that contribute to the prevention of global warming, the Project contributes to climate change mitigation. The climate change mitigation effect of the Project (estimated GHG emissions reductions) is approximately 1,416,667 tons of CO_2 equivalent per year. Furthermore, it has the potential to contribute to climate adaptation through support for the agricultural transition.

（7） Gender Category: GI (S) (Gender Activities Integrated Project)

<Details of Activities/Reason for Categorization> The Project aims to address the issue of gender disparities within startups in Sub-Saharan Africa by monitoring metrics such as the number of female managers and employees at portfolio companies, with the goal of promoting gender equality. Furthermore, the Project meets Basic 2X ESG, and the criteria for leadership and employees under the 2X Challenge.

（8） Other Important Issues: N/A

４. Targeted Outcomes

（1） Quantitative Effects

Indicator	Baseline (Actual value in 2025)	Target (JFY 2036) (1 year before fund termination)
The total number of portfolio companies invested by the Fund	0	25-30

The total number of companies supported by Venture Building	0	15

For reference, the reduction of greenhouse gases emissions, total number of direct and indirect beneficiary, total number of direct and indirect jobs created, and private capital mobilized will be monitored.

（２）Qualitative Effects: Supporting the development and expansion of startups in the region, expanding climate change mitigation efforts and fostering related markets, and facilitating the formulation of the second Fund by leveraging the track record established by the Fund (first Fund)

５. Prerequisites and External Conditions

N/A

６. Lessons Learned from Past Projects

(1) Evaluation results of similar projects: Lessons learned from past ex-post evaluations of Local Enterprise Development Fund Project indicate that it is necessary to thoroughly confirm whether potential investees are sufficiently identified by reviewing the pipeline. Furthermore, it has been found effective to assess the capabilities of fund managers as an investor and to secure an option to replace fund managers if necessary.

(2) Lessons learned for the Project: In light of this lesson, the risk was mitigated by obtaining pipeline lists in advance and conducting screenings. In addition, during the due diligence process, JICA placed a strong emphasis on evaluating the capabilities of the investment team and clarified the team's duties and responsibilities by reviewing contracts and other documents. Furthermore, JICA sits on the LP Advisory Committee, which has the right to vote on important matters, such as the departure of key personnel from the Fund.

７. Evaluation Results

The Project aligns with the development challenges and policies of Sub-Saharan Africa, as well as the cooperation policies of Japan and JICA. It is also expected to contribute to SDG Goal 7 (Affordable and Clean Energy), Goal 9 (Industry, Innovation and Infrastructure), and Goal 13 (Climate Action), making it highly significant. Furthermore, the Project contributes to "Mission 300," an initiative promoted by the World Bank, the AfDB, and others that aims to provide clean electricity to 300 million people on the African continent by 2030, and is therefore consistent with international initiatives.

８. Plan for Future Evaluation

（１）Indicators to be Used: As indicated in Sections 4.

（２）Future Evaluation Schedule: Ex-post evaluation is scheduled for 1 year before the termination of the Fund

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