NOVEMBER 2024

# Private Capital Regional Landscape:

# Francophone Africa

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# Foreword

**It is with great pleasure the African Private Capital Association (AVCA) presents the second report in our *Private Capital Regional Landscape* report series, which adopts a regional lens to the analysis of private capital activity and industry development across Africa. Following the success of our Southern Africa report in May, this sophomore edition focuses on Francophone Africa.**

This publication represents a significant milestone for both AVCA and the broader investment community in Africa. As the first-ever report exclusively dedicated to private capital in Francophone Africa, it underscores our commitment to advancing research and engagement in this dynamic region. Additionally, it is AVCA's first bilingual publication, ensuring that critical insights are accessible to both English and French speaking stakeholders.

French-speaking Africa, a cultural and linguistic powerhouse, encompasses 29 countries, with 21 of them designating French as their official language. Home to over a quarter of the continent's 1.5 billion people, this region has long been overshadowed because of its market fragmentation, resource dependence, and language barrier. However, Francophone Africa now finds itself at a turning point in its development trajectory. Between 2021 and 2023, seven of the top 15 performing African economies were Francophone, signalling a promising economic climate for private capital. Over the past five years, the region has also consistently outperformed the broader African average in GDP per capita. Beyond economic growth, Francophone Africa's appeal has been bolstered by mobile internet and smartphone proliferation. With some of the highest mobile phone penetration rates in Africa, technology access has expanded to create a vast customer base for tech-driven businesses. Additionally, the post-pandemic return of the diaspora has accelerated ecosystem development, bringing valuable experience, capital, and global connections crucial for scaling local businesses and attracting international investment.

While Francophone West Africa, led by Côte d'Ivoire and Senegal, has been at the forefront of this rising investor interest, French-speaking countries in East and Central Africa—such as the Democratic Republic of Congo, Rwanda, and Madagascar—are also emerging as important markets. This report highlights key trends that define the region's private capital landscape. From a growing volume and value of deals to the transformative role of technology and the strides made in promoting gender diversity, Francophone Africa is a region on the move. The findings in this report demonstrates Francophone Africa's remarkable progress in the last decade and identifies avenues for the region to realise its full potential.

Looking ahead, venture capital is poised to remain a powerful growth driver in the region. Cities like Dakar and Abidjan are solidifying their positions as tech hubs, with an increasing number of startups capturing global attention. The region's young, tech-savvy population, supportive government policies, and improving digital infrastructure create a fertile environment for world-class tech companies to emerge. Private debt has also gained considerable traction, accounting for approximately a fifth of both private capital deal volume and value over the past two and a half years. As private debt continues to expand, the region is set to benefit from a mix of generalist funds and, eventually, more specialised debt funds tailored to local markets.

Francophone Africa's innate potential positions it as a region on the brink of exponential growth. We invite you to explore the findings of this report, which we hope will inspire new strategies, foster impactful investments, and drive sustainable growth across Francophone Africa.

**Nadia Kouassi Coulibaly**

Head of Research

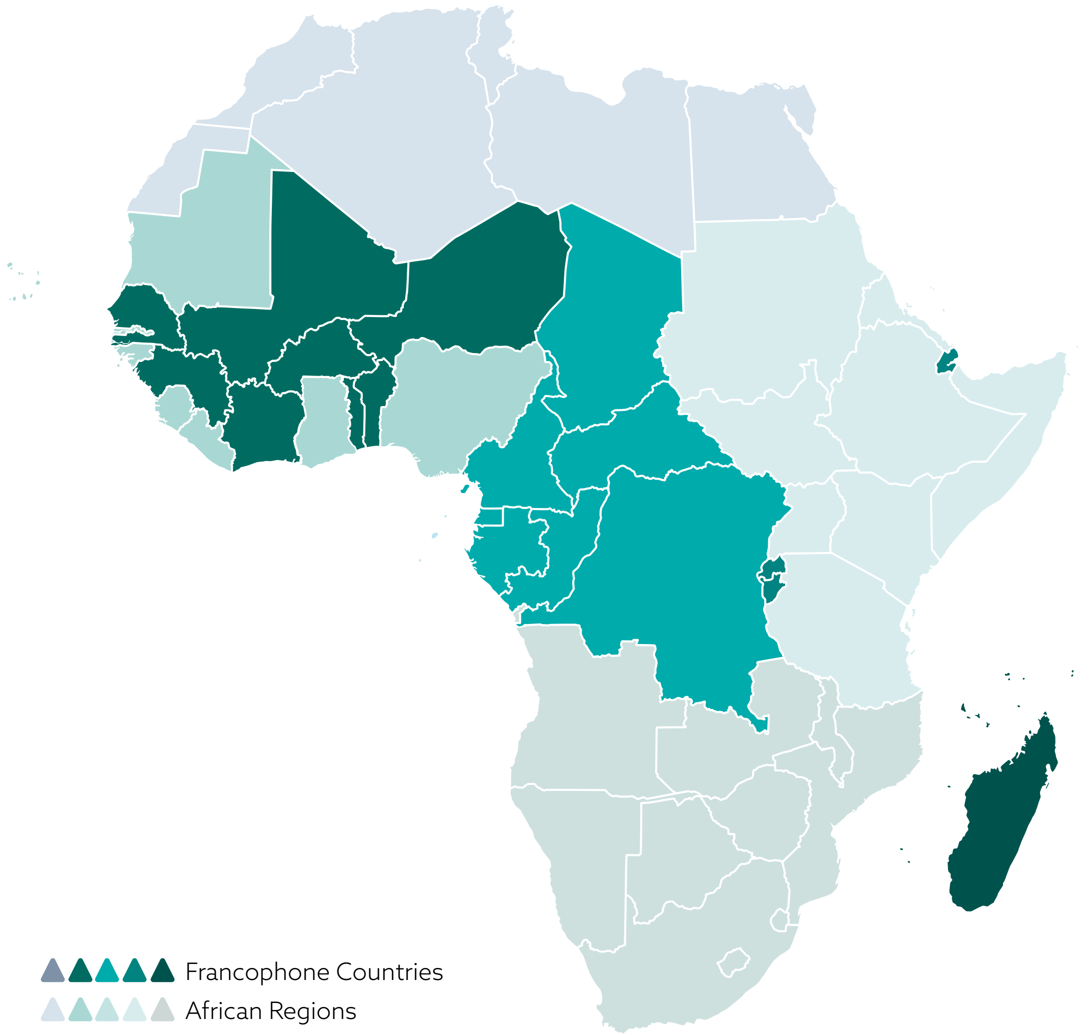
The African Private Capital Association

# 1. Francophone Africa Macroeconomic Overview

## 1.1 Francophone Africa at a Glance

Francophone Africa is home to approximately 380 million people[1] and is comprised of 21[2] geographically diverse countries in Sub-Saharan Africa, all formally recognised by national authorities as using French as an official language[3]. The economic landscape of Francophone Africa is significantly shaped by two key unions rooted in historical, political and economic foundations: the West African Economic Monetary Union (WAEMU)[4] and the Economic Community of Central African States (CEMAC)[5]. Since their formation, these Trade and Monetary unions have been instrumental in driving regional economic integration and collaboration among member states. In particular, the common currency of the unions (Franc CFA) which is pegged to the Euro has been pivotal in maintaining low inflation rates and ensuring monetary stability among WAEMU and CEMAC member states.

Figure 1: **Geographical Distribution of Francophone Africa Countries**



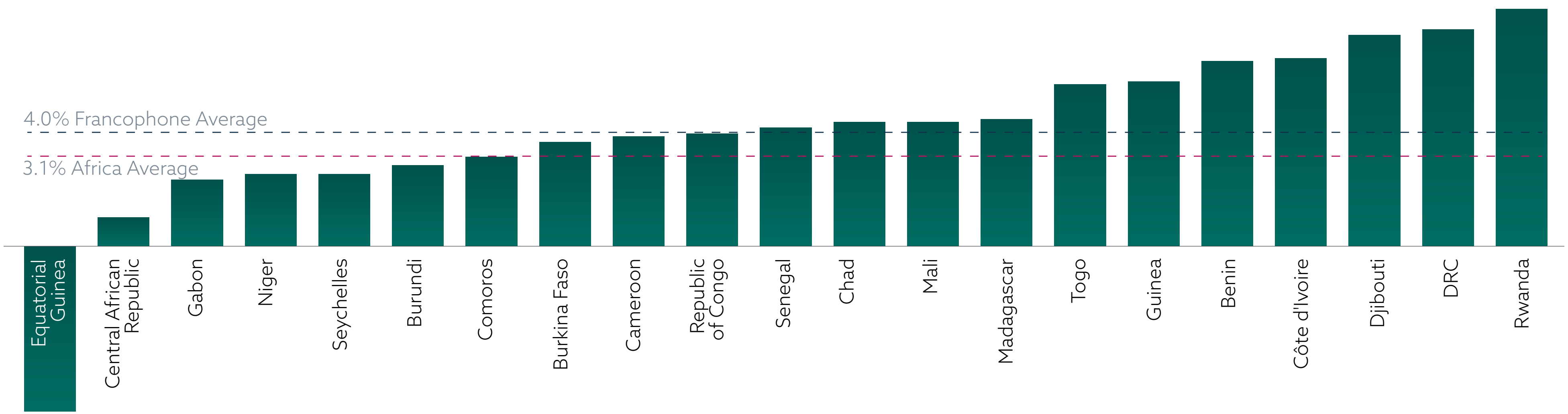

Source: AVCA

## 1.2 Reflecting on the Past: Trends in Macroeconomic Performance

In recent years, Francophone Africa has emerged as a vibrant and dynamic economic hub driving growth at the continental level. According to the African Development Bank, 7 of the top 15 performing economies in Africa between 2021 – 2023 were in Francophone countries[6]. These include Benin, Côte d'Ivoire, the Democratic Republic of Congo, Djibouti, Guinea, Rwanda, and Togo. In 2023, Francophone Africa recorded a GDP growth rate that was 1.3x higher than the continental average of 3.1%[7]. Notably, more than two-thirds of Francophone African countries outpaced the average GDP growth rate for the wider continent[8], highlighting the region's potential for sustainable economic growth and development.

The rise of Francophone Africa as an economic hub on the continent has been supported by the region's economic diversity. Historically, the Agriculture sector has been the primary driver of economic activity in most countries in Francophone Africa, particularly in the region's largest economies -Côte d'Ivoire and Senegal- and in countries such as the Central African Republic and Burundi. However, in the past two decades, there has been a notable shift from the Agriculture sector towards the Services sector in countries such as Côte d'Ivoire, Senegal, Cameroon, Rwanda and Comoros[9]. This evolution has led to the growth of employment opportunities within the Tourism, Transport and Financial Sectors in these countries and created new opportunities for investment. In Rwanda for instance, the *Visit Rwanda* campaign has been successful in positioning Rwanda as a leading tourism destination in East Africa[10]. In contrast, most Francophone countries within Central Africa remain dependent on oil and gas production and exportation which accounts for nearly half (46%) of the total revenues within French speaking Central Africa[11].

Figure 2: **GDP Growth Rate in Francophone Africa, by Country, 2023**



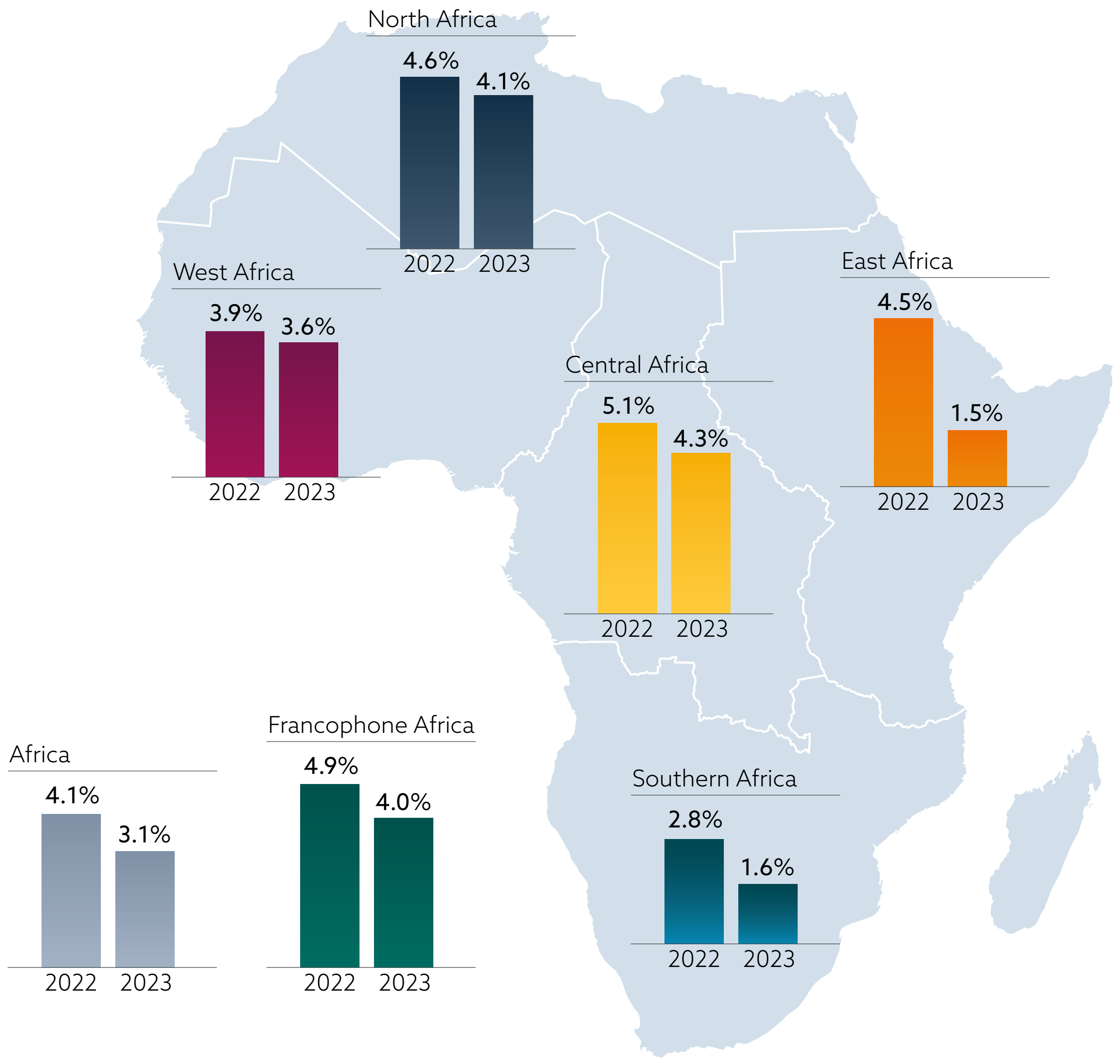

Source: AVCA, African Development Bank

GDP growth in Francophone Africa slowed from 4.9 in 2022 to 4.0% in 2023[12], driven by push and pull factors both at the regional integration and country level. The services sector pushed up economic performance within the WAEMU zone, which maintained a steady growth rate of 5.3% in 2023[13]. In the CEMAC zone however, GDP growth dipped to 1.7%, down from 3.1% in 2022, as the union grappled with falling oil prices and political instability[14]. Despite this decline, Francophone Africa's economic performance tracked ahead of East, Southern and West Africa.

Francophone Africa's performance in 2023 was largely driven by a rebound in the agriculture sector in Côte d'Ivoire and Senegal, in addition to the continued strong performance of their respective Services sector. Additionally, increased private consumption and public investment in Comoros[15] as well as heightened port and trading activities in Djibouti with neighbouring Ethiopia[16] supported the region's growth.

However, a closer examination of the trends reveals country level divergences. While countries like Burkina Faso, Benin, Comoros, Senegal, Côte d'Ivoire and Guinea experienced sustained growth, other Francophone countries were affected by economic challenges which hindered growth. Seychelles experienced the steepest decline in GDP growth rate, dropping from 15% in 2022 to just 2.5% in 2023. Whereas a rebound in Tourism

Figure 3: **Regional Economic Performance in Africa, by GDP Growth Rate, 2022 – 2023**

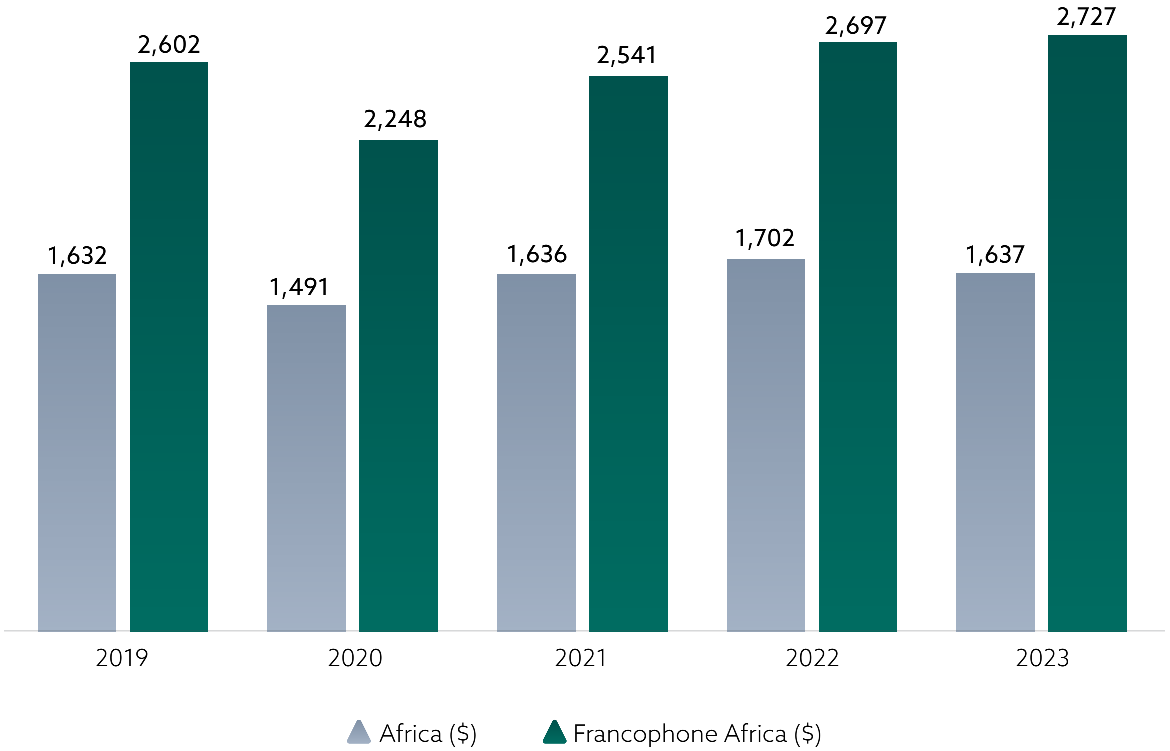



Source: AVCA, African Development Bank

supported economic activity in Seychelles, 2023 was characterised by a decline in the Manufacturing, Construction and Real Estate sectors which created downward pressure on the country's economy[17]. In Equatorial Guinea, a decline in oil production and low global demand for oil and gas products pushed the country into a recession[18]. Meanwhile in Gabon, timber production was affected by low demand, high production costs and heightened insecurity which had a knock-on effect on the country's economy.

When considered in GDP per capita terms, Francophone Africa yet again stands out as region with steady economic expansion and immense investment potential. Over the past 5 years, Francophone Africa has consistently maintained a higher average GDP per capita than the broader African average. Despite a slight decline in 2020, GDP per capita in the region experienced steady growth – peaking at US$2,727 in 2023 to mark its highest level in 5 years. The strong post-pandemic performance in Francophone Africa characterised by continuous growth, rising average incomes and improved productivity has cemented the region's position as an increasingly attractive destination for investment in Africa.

Figure 4: **Average GDP Per Capita in Francophone Africa vs Africa, 2019 – 2023**

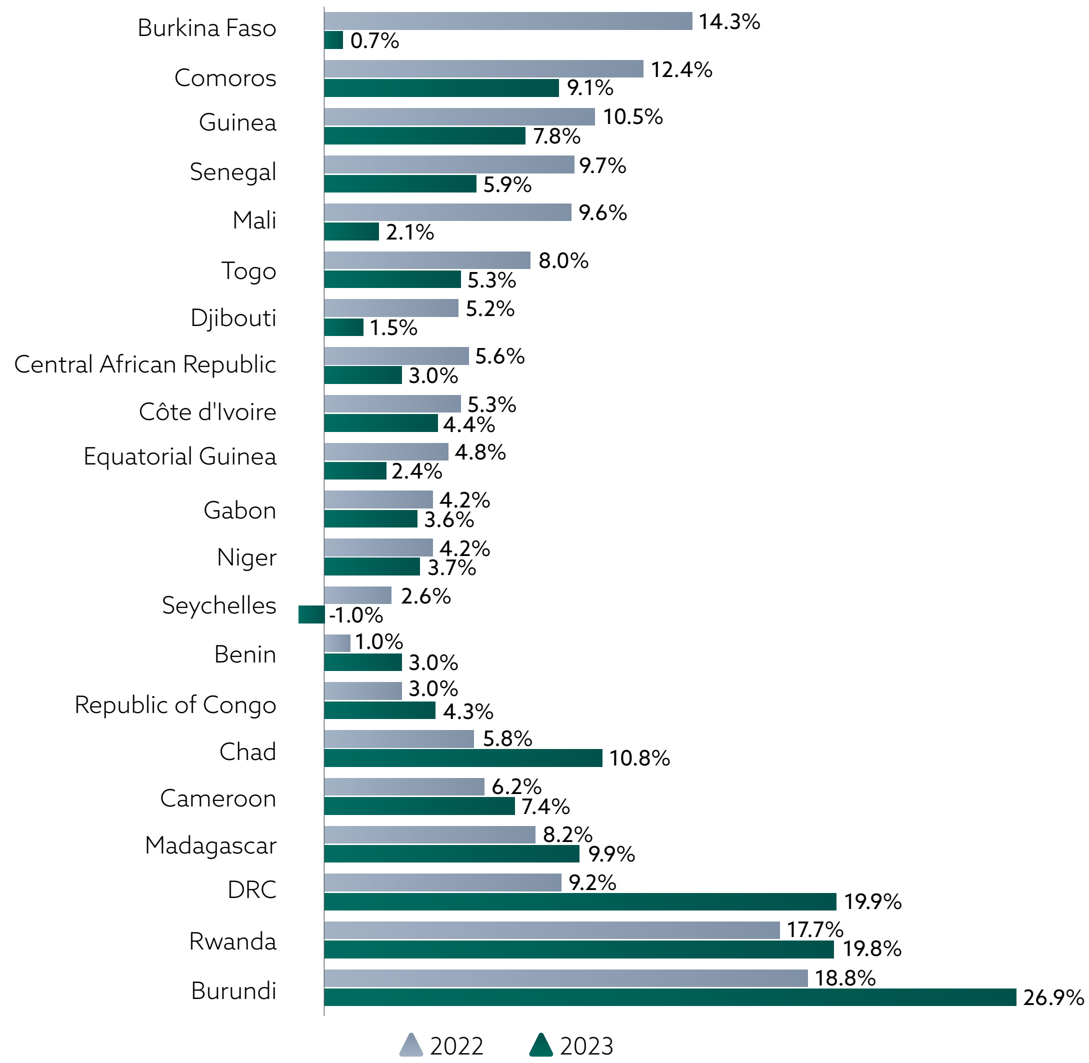



Source: AVCA, World Bank

## Monetary Policy Across Francophone Africa

In recent years, Central Banks within Francophone African countries have maintained tight monetary policies to target high inflation. Despite these measures, inflation stabilisation has varied, particularly in the WAEMU and CEMAC zones which have historically enjoyed a relatively stable macroeconomic environment with low levels of inflation compared to other African countries[19]. In the WAEMU zone, the Central Bank of West African States (BCEAO) increased the main lending rate thrice between 2022 and 2023 to curb inflation which peaked at 7% in 2022[20]. By the end of 2023, inflation in the region stood at 3.5%, exceeding the BCEAO target limit of 3%. This can largely be attributed to political instability within the WAEMU zone, which has significantly impacted economic activity[21]. Within the CEMAC region, inflation remains high at 5.6% despite the Bank of Central African States (BEAC) raising the monetary policy rate by 175 points between 2021 and 2023[22]. This has weighed down on economic activity in the region which is grappling with the effects of low oil prices, low oil production, increased public spending and a high fiscal deficit[23].

Figure 5: **Annual Inflation Rate in Francophone Africa, by Country, 2022 – 2023**

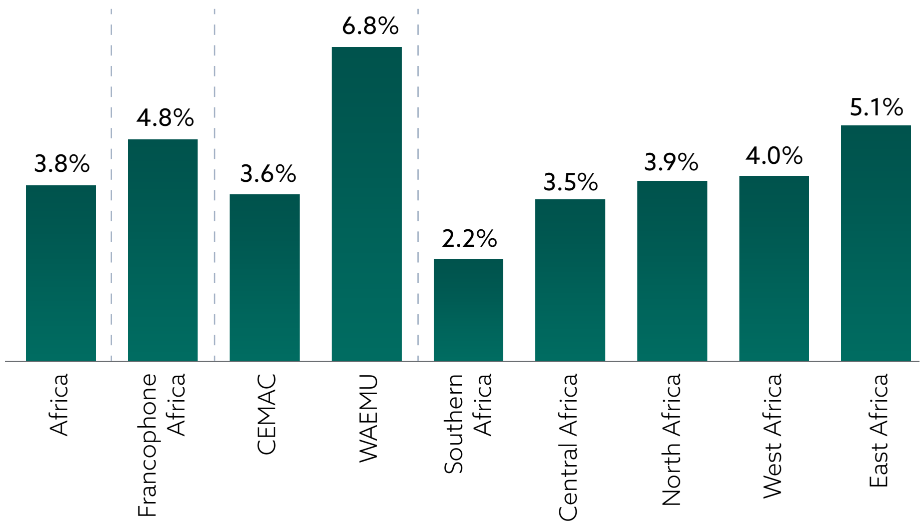



Source: AVCA, African Development Bank

## 1.3 A Peek into the Future: Prospective Macroeconomic Performance

Despite the socio-political and economic divergences at the country level which have impacted Francophone Africa's overall performance, the economic outlook of the region gleams with promise. Francophone Africa is set to witness a significant economic boost in 2024. A growth rate of 4.8% is projected for the region, which outpaces the 3.8% predicted for the wider continent[24] and demonstrates the resilience and growth potential of Francophone countries in the African market. This performance will place Francophone Africa ahead of most other regions on the continent, with the exception of East Africa, where growth is forecasted at 5.1%. Within the two economic unions, growth in the WAEMU zone is expected to be robust at 6.8%[25], while the CEMAC zone is set to experience a near 2x increase to 3.6% in 2024 fuelled by the stabilisation in oil production and prices[26].

Figure 6: **Regional Outlook, by GDP Growth Rate, 2024 – 2025**




Source: AVCA, African Development Bank, International Monetary Fund

Even more compelling is the projected performance of select countries within the Francophone region. According to the International Monetary Fund (IMF), 7 of the 11 countries in Africa expected to experience strong economic performance in 2024 are in Francophone Africa[27]. These include Niger (11.2%), Senegal (8.2%), Rwanda (7.2%), Côte d'Ivoire (6.8%), Benin (6.4%), Djibouti (6.2%) and Togo (6%)[28]. In Senegal and Niger, the hydrocarbon industry is poised to drive growth, fuelled by major investments into crude oil production and transportation in these countries[29]. In 2024, Senegal achieved a major milestone when production began at the country's first offshore crude oil project which is expected to generate export revenues[30]. In Niger, the construction of the Niger-Benin pipeline is expected to streamline crude oil transportation and exportation, thereby increasing the country's oil & gas output.

Meanwhile, Rwanda is off to a strong start, recording a 9.8% growth rate in the first half of 2024 which was supported by consumer spending within the Services and Industry sectors[31]. Côte d'Ivoire's growth in 2024 will be bolstered by increased private consumption and government spending on infrastructure[32]. This is part of the nation's 2021-25 *National Development Plan* designed to transform Côte d'Ivoire into an Upper Middle-income country by 2030[33]. Across the remaining countries, greater Agricultural output, favourable commodity prices and the Services sectors are expected to drive growth.

Amidst the peaks and troughs in macroeconomic performance of Francophone African countries, the region's economic resilience has created a favourable climate for the growth of the private capital industry in the region. While maintaining optimism that the projected growth rates will be achieved in 2024, this performance may be affected by inflation which remains persistently high in some countries. That notwithstanding, the emerging opportunities in Francophone Africa signal a pathway for growth and economic transformation of the region in the coming years.

# 2. Private Capital in Francophone Africa: The Region in Numbers

**Private Capital Activity in Francophone Africa, 2022 – 2024 H1**

**The Region in Africa** US$0.9bn was invested across **117 deals** between 2022 and 2024 H1

**Top 3 Countries in Private Capital Deal Activity in Francophone Africa, 2022 – 2024 H1**

1

**Senegal** was the 1st country by deal volume with **26 deals** totalling **US$0.3bn.**

2

**Côte d'Ivoire** was the 2nd country by deal volume with **20 deals** totalling **US$0.3bn.**

3

**Rwanda** was the 3rd country by deal volume with **17 deals** totalling **US$0.1bn.**

**Top 3 Asset Classes in Private Capital Deal Activity in Francophone Africa, 2022 – 2024 H1**

**Private Equity** was the 2nd most active asset class with **26 deals** totalling **US$0.3bn**

Private Equity

2

**Venture Capital** was the most active asset class by deal volume with **68 deals** totalling **US$0.3bn.**

Venture Capital

1

**Private Debt** was the 3rd most active asset class with **19 deals** totalling **US$0.2bn**.

Private Debt

3

## Top 3 Sectors in Private Capital Deal Activity in Francophone Africa, 2022 – 2024 H1

**1** **Financials** was the most active sector by deal volume with **27 deals** valued at **US$0.3bn.**

**2** **Consumer Discretionary** was the 2nd most active sector by deal volume with **21 deals** valued at **US$0.1bn.**

**3** **Consumer Staples** was the 3rd most active sector by deal volume with **21 deals** valued at **US$0.04bn.**

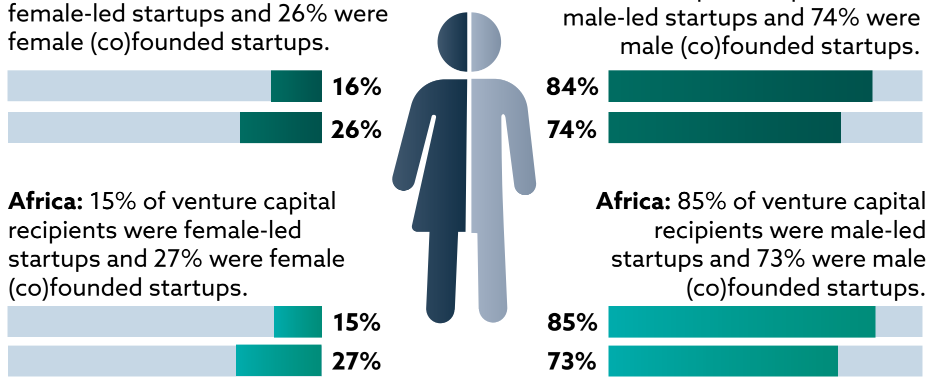
## Gender Diversity in Venture Capital in Francophone Africa, 2022 – 2024 H1

**Francophone Africa:** 16% of venture capital recipients were female-led startups and 26% were female (co)founded startups.

**Francophone Africa:** 84% of venture capital recipients were male-led startups and 74% were male (co)founded startups.

**Africa:** 15% of venture capital recipients were female-led startups and 27% were female (co)founded startups.

**Africa:** 85% of venture capital recipients were male-led startups and 73% were male (co)founded startups.




## Tech-focus in Private Capital Deal Activity in Francophone Africa, 2022 – 2024 H1

# 62 deals

**Technology and tech-enabled businesses** in Francophone Africa received **US$0.4bn** of private capital investment across **62 deals.**

Representing 53% of total investments in the region.

## Private Capital Exit Volume in Francophone Africa, 2022 – 2024 H1

# 19 exits

Representing 13% of exit volumes on the continent.

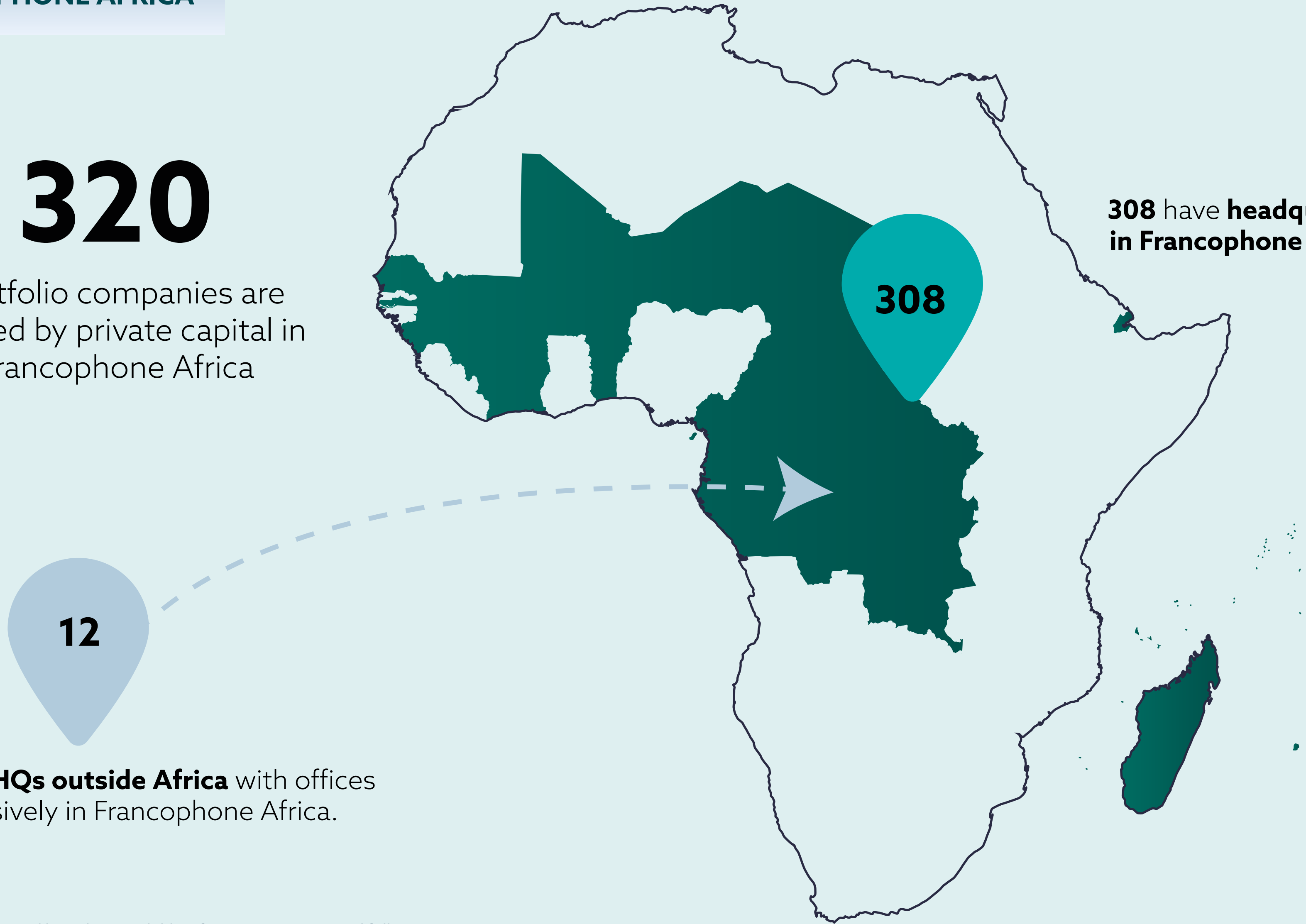
The most popular exit route in Francophone Africa was **Sales to Trade Buyers** with **10** recorded Exits

## CURRENT* PORTFOLIO COMPANIES BACKED BY PRIVATE CAPITAL IN FRANCOPHONE AFRICA**

### FRANCOPHONE AFRICA

# 320

portfolio companies are backed by private capital in Francophone Africa




**308** have **headquarters in Francophone Africa.**

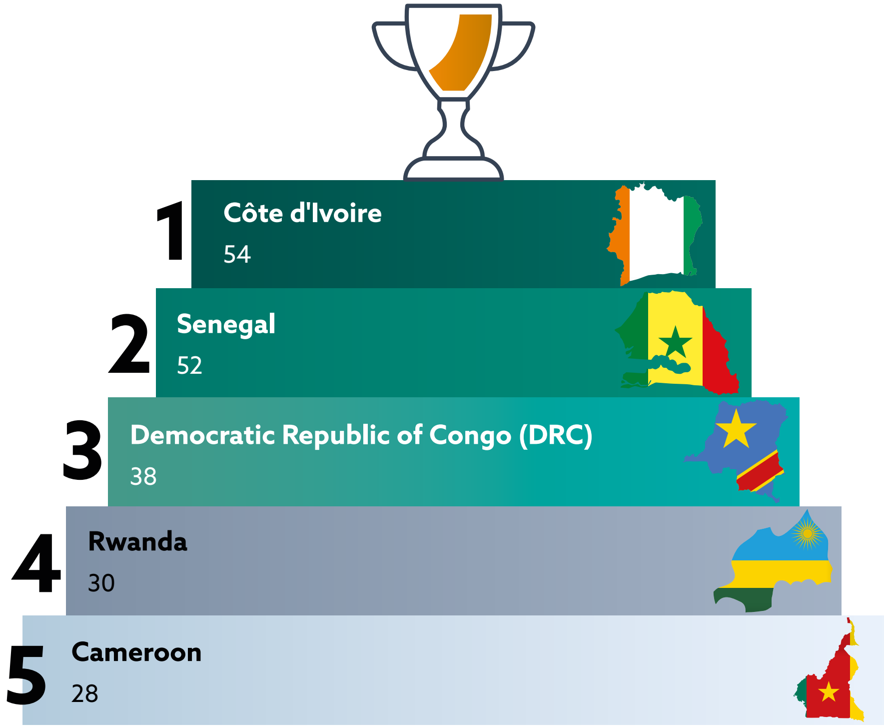
**12** have **HQs outside Africa** with offices exclusively in Francophone Africa.

** As of end 2023, and based on available information on reported full exits*

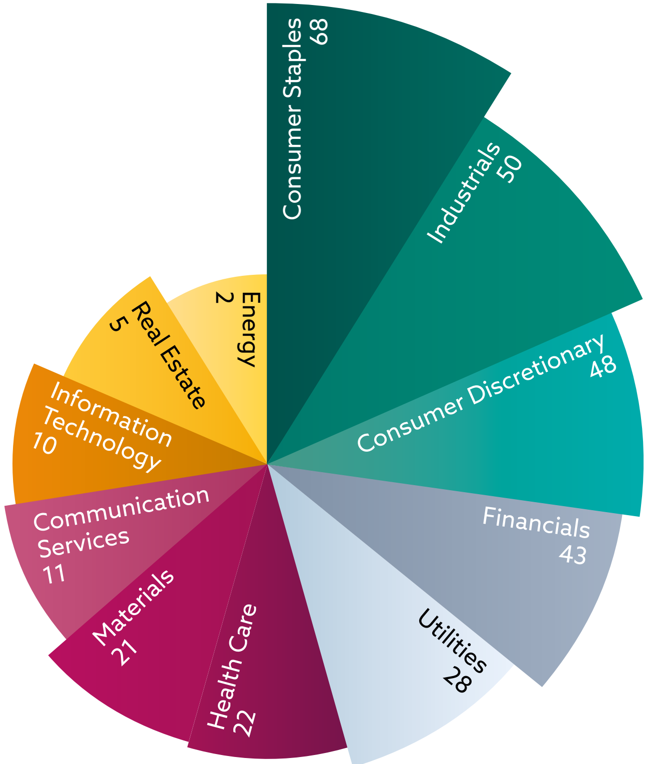
*** Portfolio companies with HQ in Francophone Africa and HQ Outside Africa with Offices exclusively in Francophone Africa*

**Distribution of Current Portfolio Companies Backed by Private Capital in Francophone Africa, By Asset Class**


**Top 5 Countries in Francophone Africa, by Volume of Private Capital Backed Portfolio Companies**




**Distribution of Current Portfolio Companies Backed by Private Capital in Francophone Africa, By Sector**



# 3. Evolution of the Private Capital Industry in Francophone Africa

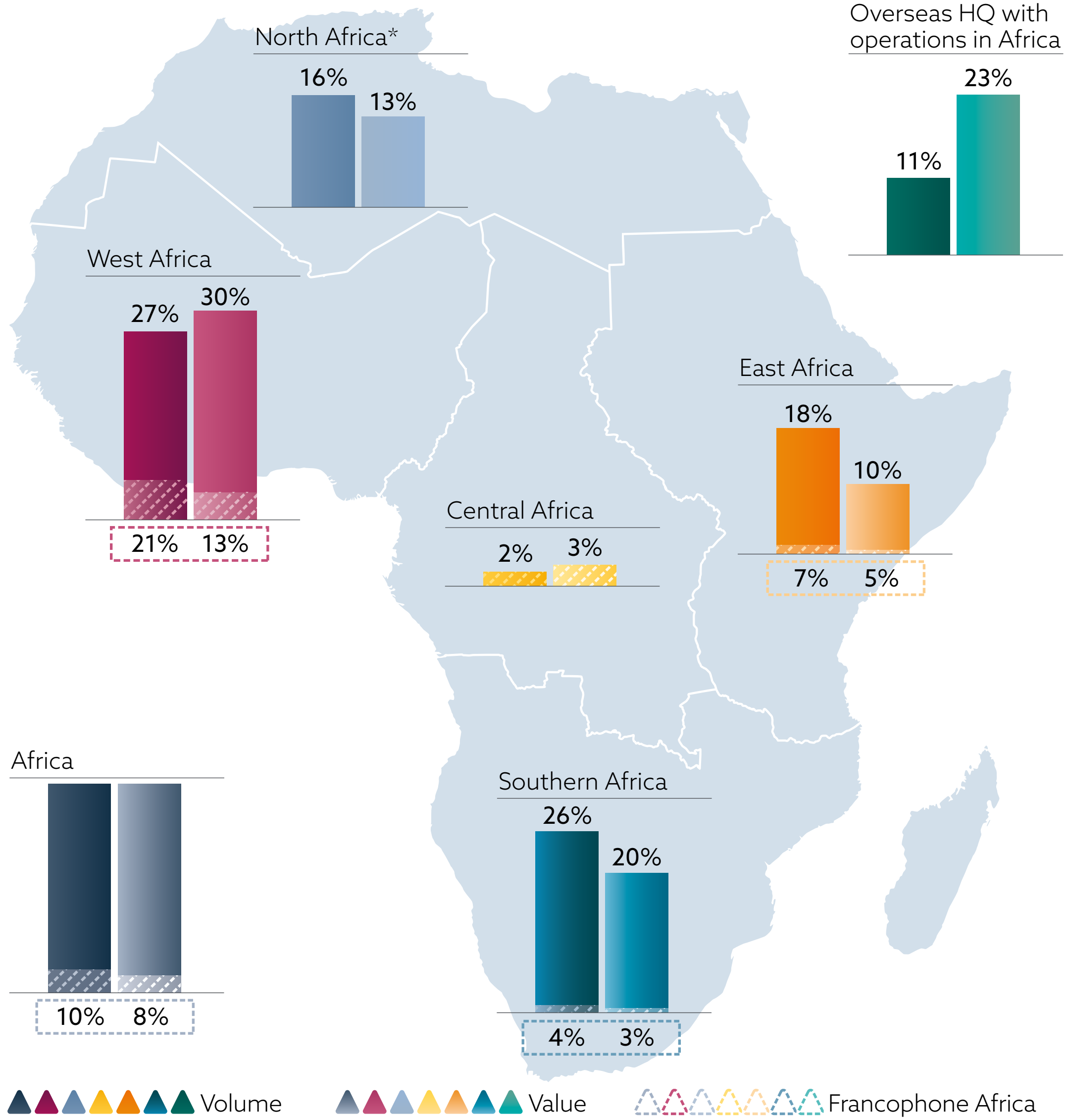
After years of modest growth, Francophone Africa's private capital landscape is undergoing a structural transformation, positioning the region as an increasingly attractive part of Africa's investment ecosystem. Over the past decade, this market has evolved through diversification across asset classes, sectors, and regional markets, driven by a shift towards technology and innovation. This momentum has enabled Francophone Africa to gradually close the gap from other African markets, establishing itself as a dynamic and adaptive player within the continent's private capital landscape.

## 3.1 Private Capital Deal Activity

When segregated by region, Francophone Africa was responsible for 10% of Africa's private capital deal volume and 8% of its deal value between 2012 and 2024 H1, placing it near the bottom alongside Central Africa. However, unlike other regions, Francophone Africa is a linguistically connected but geographically dispersed collection of countries, spanning the entirety of sub-Saharan Africa. This linguistic unity within a diverse geographic context creates a unique investment landscape with distinct opportunities across sectors and markets. While its overall contribution to Africa's private capital landscape may seem modest, the region's diversity is, in fact, its strength. Investors are increasingly drawn to the range of opportunities offered by this mosaic of French-speaking countries, which collectively present a host of untapped potential across different industries and developmental stages.

* Although French is widely spoken in Morocco, Tunisia, and Algeria, it is not an official language in these countries. As a result, these nations are not included in our current methodology. However, they will be addressed in an upcoming regional report focused on Northern Africa. In the meantime, a summary box is provided in the Annex, with key data on activities and exits in these countries.

Figure 1: **Regional Distribution of Private Capital Deals in Africa: Share of Volume and Value in Francophone and Non-Francophone Markets, 2012 – 2024 H1**




Source: AVCA

Figure 2: **Total Volume of Private Capital Deals in Francophone Africa, 2012 – 2024 H1**

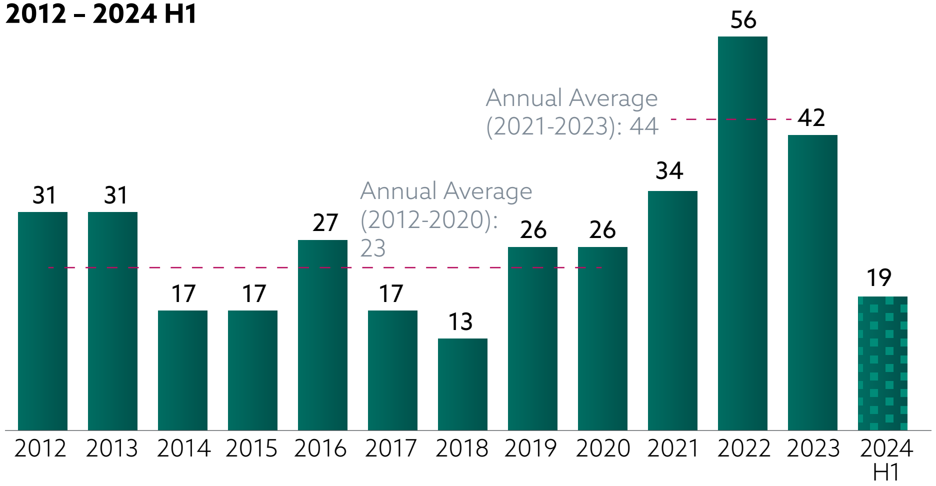
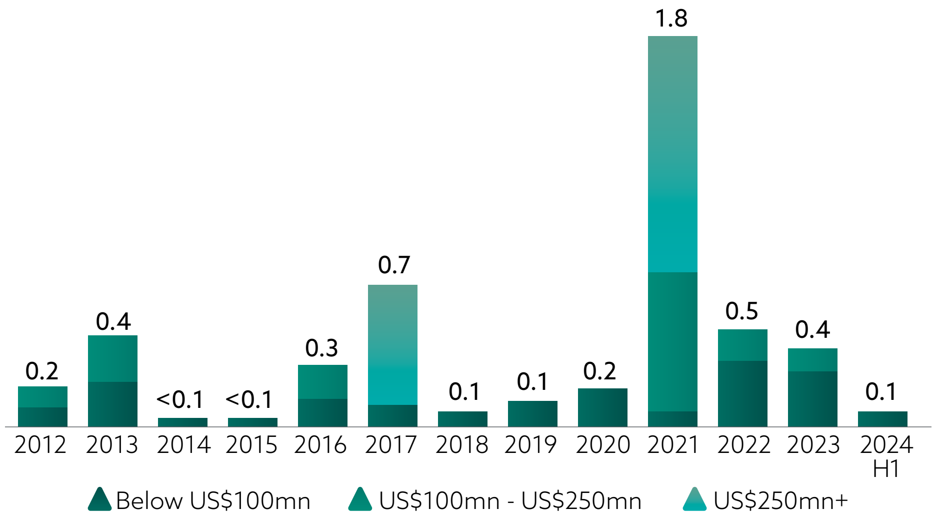



Figure 3: **Total Value of Private Capital Deals in Francophone Africa, US$bn, 2012 – 2024 H1**




Source: AVCA

## From Steady to Strong: Francophone Africa's Private Capital Transformation

Over the past thirteen years, companies headquartered in Francophone Africa have attracted US$4.8 billion across 356 private capital deals. After a period of relatively steady but fluctuating deal activity from 2012 to 2020, investor interest in the region surged in 2021, signalling a turning point. This shift is reflected in the significant increase in the average annual deal volume, which nearly doubled from 23 deals per year (2012-2020) to 44 deals per year (2021 to 2023). Côte d'Ivoire, Senegal, and the Democratic Republic of Congo (DRC) have been pivotal, collectively accounting for 49% of private capital deal activity in the region since 2012, thereby serving as primary drivers of this investment wave.

2021 was also a turning point for private capital deal value in Francophone Africa, capturing over a third (39%) of the region's total funding between 2012 and 2024 H1. This surge was driven by five deals in the US$100 million+ category, which provided a significant boost to the region's investment landscape. Even when excluding this exceptional year, the average deal value has risen, climbing from US$10.3 million between 2012 and 2020 to $13.2 million between 2021 and 2023.

This transformation of Francophone Africa's private capital landscape has been fuelled by a combination of factors. These drivers include the rise of venture capital, regulatory advancements, sustainable infrastructure investments, technological disruption in key sectors, and alignment with broader African investment trend, which are each discussed in turn.

## Francophone Africa's Private Capital Transformation: Embracing Venture Capital, Innovation and Regulatory Change

Francophone Africa's private capital landscape has shifted from a traditionally private equity (PE) dominated market to one led by venture capital (VC). Between 2012 and 2020, PE accounted for 83% of the region's deal volume, but from 2021 to 2024 H1, VC rose to claim 60% of deal activity. While VC has grown steadily across Africa, its rise in Francophone Africa has been particularly pronounced, with an eightfold increase in deal volume between

2012-2020 and 2021-2024 H1, compared to just over a twofold increase across the continent. Remarkably, VC was virtually absent in Francophone Africa before 2016, highlighting the region's swift pivot toward innovative, high-growth investments. Senegal and Côte d'Ivoire have been central to this transformation: Senegal's early adoption of a Startup Act created a supportive environment for early-stage ventures, while the formation of a US$100+ million state backed PE fund in 2019 (the first of its kind on the continent) did the same for medium sized enterprises[34]. A wave of supportive legislation with the enactment of Investment Codes in Côte d'Ivoire (2018), Rwanda (2021) and Benin (2022) also created favourable regulatory landscapes in each jurisdiction to attract investor interest. VC's momentum is expected to continue as new funds, such as Joliba Capital's inaugural fund (€89 million at first close), Janngo Capital's US$78 million gender- equal tech fund, and Ring Africa's €50 million target impact investment fund, are dedicated to fuelling startups across Francophone West Africa.

## Francophone Africa's Private Capital Transformation: Diversifying Infrastructure Investment with a Focus on Sustainability

Infrastructure investment in Francophone Africa has diversified beyond traditional sectors, embracing sustainable projects in logistics and energy. This shift is evident in the adoption of electric mobility in both Senegal and Rwanda's transportation infrastructure, as well as a growing commitment to clean energy within Utilities. While solar energy continues to be the main focus, these are increasingly punctuated by investments directed toward wind and hydropower, particularly in French-speaking East African markets such as Djibouti and Rwanda. These changes underscore a regional pivot toward sustainability and highlight how Francophone Africa's infrastructure landscape is diversifying to address future energy and mobility needs.

## Francophone Africa's Private Capital Transformation: Technology Disrupting Key Sectors

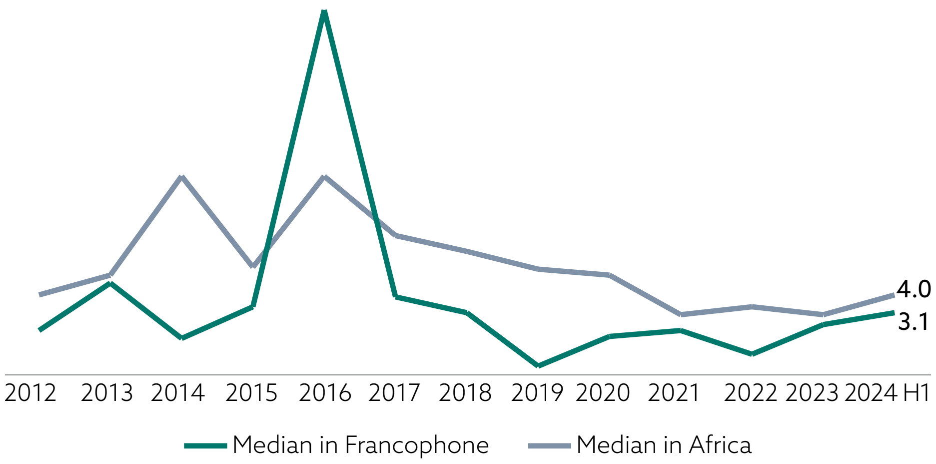
The integration of technology in Francophone Africa has transformed traditional sectors, enabling a diversified and digitally-driven private capital market. Although tech adoption began later here than in other parts of Africa, it has accelerated in recent years, now accounting for almost 60% of deal volume since 2021[35]. This digital wave is disrupting the region's leading investment sectors: Financials are being reshaped by mobile money and digital payments, while CleanTech solutions are advancing Utilities through affordable solar systems. Consumer Discretionary is also experiencing growth, with dynamic segments such as E-commerce and EdTech. These tech-driven shifts have attracted higher-value investments, exemplified by Senegal's *Wave*, which became Francophone Africa's first unicorn after securing US$200 million in FinTech funding, and Congo's *Nuru*, which received US$40 million in CleanTech investment. This technological evolution underscores Francophone Africa's adaptability and growing appeal as a tech-driven investment destination.

## Francophone Africa's Private Capital Transformation: Convergence with Continental Investment Trends

Francophone Africa's private capital industry is transitioning from the periphery to a more central role within Africa's investment landscape. Although historically lower, the region's median deal values have been closing the gap with the broader continent, narrowing from an $8.2 million difference in 2014 (max) to just $0.9 million in 2024 H1. High-value deals have also become more frequent, with the region recording 10 deals exceeding $50 million between 2021 and 2023, compared to only eight such deals in the entire period from 2012 to 2020. While these big-ticket investments are not yet consistent, their rising occurrence reflects Francophone Africa's evolving market dynamics and its potential to attract larger capital flows. This progress suggests a region poised for continued growth and greater alignment with the broader African private capital ecosystem.

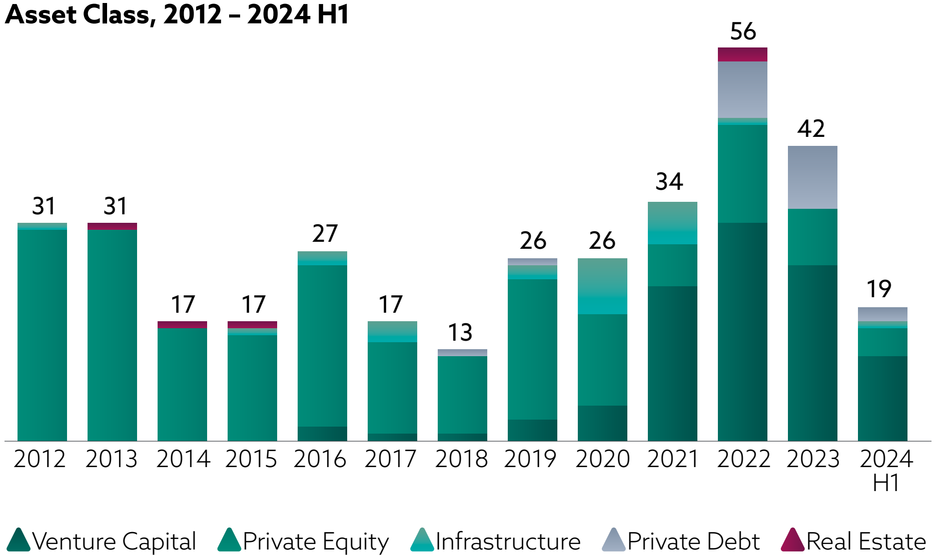
## 3.2 Private Capital Dealmaking By Asset Class

Figure 4: **Evolution of Median Deal Size in Francophone Africa vs Africa, US$mn, 2012 – 2024 H1**




The digital acceleration triggered by the pandemic has transformed Francophone Africa's private capital industry from a traditionally private equity-dominated market into one where venture capital is thriving, with growing opportunities in infrastructure and private debt financing. This evolution highlights the region's adaptability and expanding array of investment opportunities available therein.

Figure 5: **Total Volume of Private Capital Deals in Francophone Africa, by Asset Class, 2012 – 2024 H1**




Source: AVCA

Between 2012 and 2020, private equity accounted for 83% of the total deal volume and 51% of the total deal value in Francophone Africa. Investments in this asset class were concentrated in four main sectors: Consumer Staples (26%), Consumer Discretionary (17%), Financials (16%) and Industrials (15%). Notable examples include the 2014 deal by AfricInvest in *I&M Bank Rwanda*, as well as Amethis Finance's growth deal in *Afriwara*, an Ivorian producer and distributor of confectionery products and biscuits in 2017.

Private equity's share of total deal volume and value in the region declined by 75% and 63% respectively, between 2012-2020 and 2021-2024 H1. This contraction has reshaped the landscape, relegating private equity to the second most prominent asset class after venture capital and before private debt. Venture capital has surged to the forefront, reaching 60% of total deal volume between 2021 and 2024 H1. This is driven by an eightfold increase in the pace of VC dealmaking from 2021-2024 H1, compared to the eight-year period of 2012-2020. This growth rate far exceeds the broader continental trend, where VC deals have seen just over a twofold increase, underscoring the rapid expansion of innovation and technology ecosystems that continue to attract investor interest. Since 2021, nearly 60% of Francophone Africa's VC deal volume has been concentrated in Senegal, Rwanda and Côte d'Ivoire, countries that have actively supported the VC boom with progressive regulatory frameworks.

## A Selection of Legal and Regulatory Changes

In Senegal, the government supported innovation and venture creation through the Rapid Entrepreneurship Delegation Fund (DER) in 2017 and pioneered the implementation of a Startup Act in 2019 (the second African country to do so after Tunisia) providing tax incentives for SMEs, especially in tech-driven sectors.

### Senegal

#### Senegal Startup Act, 2019

In 2019, Senegal passed into law the Startup Act, becoming the second country in Africa behind Tunisia to enact a Startup law. Previously, the government supported innovation and venture creation in Senegal through the Rapid Entrepreneurship Delegation Fund (DER) in 2017, a $50mn Fund providing incubation funding, equity financing and low interest loans to startups[36]. The Act has further supported the growth of the budding venture capital ecosystem in Senegal, by providing qualifying startups with funding, specialised training and mentorship for founders, financial support for startup registration and a 3-year tax holiday[37]. Notably, the Act has a local regulation that requires that least one-third ownership in the startup must be by Senegal nationals, residents or legal entities (both living in Senegal or abroad). Since the launch of the DER and the Act, the startup ecosystem in Senegal has blossomed with Dakar, in particular, emerging as a venture capital hub in West Africa. Further, DER has been instrumental in providing early-stage financing to prominent Senegalese startups which have gone on to secure successive financing rounds[38].

#### Senegal Investment Code Regulations (2024)

In 2024, Senegal enacted new regulations for its 2001 Investment Code, which provides various incentives for approved investment projects, including:

- An exemption from customs duties on imports of equipment and materials intended for the investment phase of approved projects
- The suspension of VAT on goods, services, and works necessary to complete the investment phase of approved projects; and
- A corporate income tax credit for a portion of investments made in approved projects.

These regulations are expected to have a significant impact on the infrastructure sector in Senegal.

Similarly, Côte d'Ivoire is set to introduce its Ivorian Startup Act, prior to which its 2019 Finance Law introduced several tax exemptions, specifically targeting tech companies.

## Cote d'Ivoire

### Côte d'Ivoire Investment Code, Ordinance N° 646 of 2018

In 2018, Côte d'Ivoire enacted a new Investment Code targeting socially responsible investments in the green economy as well as local capacity building in the country. The Investment Code sets out regulations and tax exemptions which are applicable to national and foreign investments made within specific approved sectors (classified either as priority or non-priority) in Côte d'Ivoire. These concessions include exemptions on custom duties and the suspension of Value Added Tax on the acquisition of certain equipment, goods and services. Investments are further subject to Corporate Income Tax, Real Estate Tax and exemptions on employer contributions for a period of 5 years. The value of these rebates is however dependent on the investment zone and size of the company. To promote socially responsible investments, the Code grants tax credits equivalent to 10% of taxable profits to waste recycling businesses as well as tax credits for foreign companies which hire and train local talent.

In Rwanda, the Kigali International Financial Centre (KIFC) implemented a regulatory sandbox to promote Fintech and attract unicorns.

## Rwanda

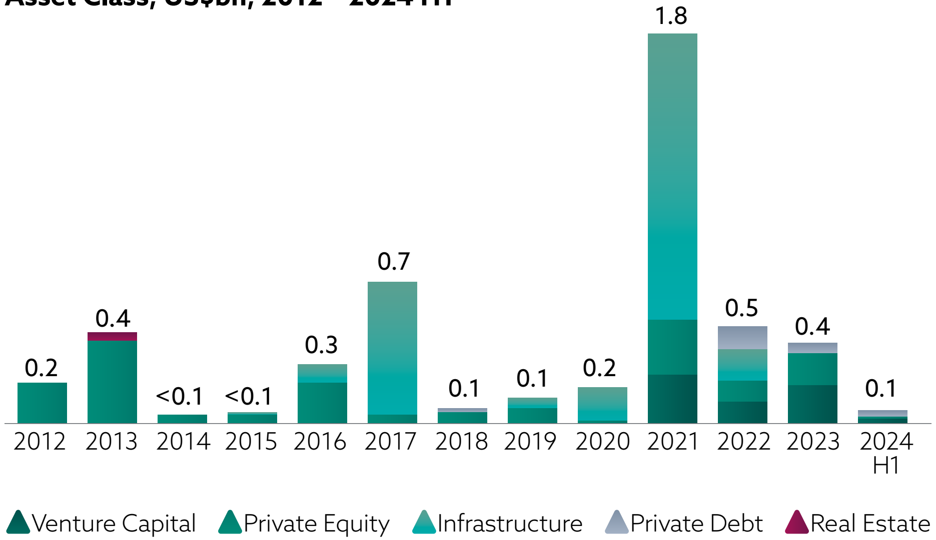
### Rwanda Investment Promotion and Facilitation Law no. 006/2021[39]

In 2021, the Investment Promotion & Facilitation Law came into force in Rwanda, creating a legal regime aimed at promoting the investment landscape in the country. The new law expanded the list of priority economic sectors and created a range of tax rebates for different categories of investors. To promote the growth of the venture capital industry, the law introduced a host of incentives aimed at attracting talent into Rwanda, such as the remote worker visa and entrepreneurship visas for startup founders. To encourage impact investing in Rwanda, the law provides a range of incentives for philanthropic investors making social impact investments of $20mn including an exemption on Corporate Income Tax, zero-rated VAT for locally procured goods & services, Income tax exemption on foreign nationals working in philanthropic organisations and residing in Rwanda.The law further creates a preferential tax rate for different groups of investors. For instance, fund managers, collective investment schemes, family offices and companies offering financial advisory services are eligible preferential tax rate of 15% and a withholding tax rate of 0% on dividends, interest and royalties. To promote the venture capital industry in the country, the law provides a host of incentives for startups. For instance, angel investors investing a maximum of $500,000 in a startup are eligible to an exemption on Capital Gains Tax upon the sale of their shares, as well as an exemption on withholding tax applicable to dividends paid for 5 dividend issuances by the startup. This exemption does not however apply to private equity and venture capital funds. One feature of the Act was the creation of the Seed Innovation Fund, designed to provide financing support for small and medium investors in Rwanda. One of the novel features of the law is the creation of the Kigali International Financial Centre (KIFC) mandated to facilitate the registration of holding companies and Special Purpose Vehicles as well as the structuring and domiciliation of investment funds. Though in its early years, the KIFC is a promising alternative location for onshore fund domiciliation in Africa.

Propelled by the urgency of climate action, infrastructure investments have increasingly captured investor attention in the region, with the volume of deals nearly doubling from 9 (2012 - 2019) to 16 (2020 - 2024 H1) driven by several landmark transactions in Gabon. The Utilities sector has remained the primary driver, accounting for 76% of infrastructure deal volume in the region from 2012 to 2024 H1, though its focus has shifted from conventional thermal plants to sustainable energy sources like solar and hydropower. A notable example is Meridiam's 2021 investment in *Kinguélé Aval*, a Gabonese hydroelectric power plant serving the country's rural and urban electrical needs. Logistics infrastructure and sustainable transportation in the Industrials sector have also played key roles, collectively contributing to 24% of infrastructure deals. This trend is exemplified by the 2020 investment in *Arise Ports and Logistics*, a Gabonese-based network of ports, warehouses and rail services facilitating West African trade, and Meridiam's 2022 investment in Senegal's *Bus Rapid Transit*, pioneering electric transportation in West Africa.

Private debt entered the market in Francophone Africa in 2018 with 21 deals totalling US$211mn recorded since and, solidified its presence by 2022 as an increasingly attractive investment alternative. Over the past two and a half years, this asset class has gained considerable traction, accounting for 16% of total deal volume and 21% of total deal value in the region. The growth of private debt is driven by direct lending deals (74%) and venture debt (16%), underscoring its versatility and appeal. Despite its early stages, private debt activity in Francophone Africa has achieved larger average ticket sizes than the African average, especially in venture debt, which boasts an annual average ticket size of US$22mn—more than twice the continental average. The Financials sector, which captured 70% of private debt deals between 2022 and 2024 H1, has been the primary focus, with traditional banks as key targets for investors. The Consumer Staples sector has also benefitted from the debt asset class, which has provided leverage to food manufacturers and processors. Illustrative examples include Injaro Investments' US$8mn financing of *Africa Negoce Industries*, a cashew processor in Benin, and their follow-on investment in the *Cocoa Cooperative Agency SOCAK* in Côte d'Ivoire in 2023.

Figure 6: **Total Value of Private Capital Deals in Francophone Africa, by Asset Class, US$bn, 2012 – 2024 H1**




Source: AVCA

## 3.3 Private Capital Dealmaking By Country

Private capital deal activity in Francophone Africa is concentrated in five key markets, which collectively account for the lion's share of investment in the region. Between 2012 and the first half of 2024, these countries accumulated 243 deals totalling US$2.5bn. This quintet accounted for nearly 70% of the region's total deal volume and over 50% of its total deal value, underscoring their pivotal role in driving growth across Francophone Africa. Leading are Côte d'Ivoire, Senegal, and the Democratic Republic of Congo (DRC), which have emerged as the region's top destinations for private capital over the last 13 years. They are closely followed by Rwanda and Madagascar, dynamic markets which have also played important roles in attracting private capital.

Figure 7: **Private Capital Activity in the Top 5 Francophone Africa countries, 2012 – 2024 H1**

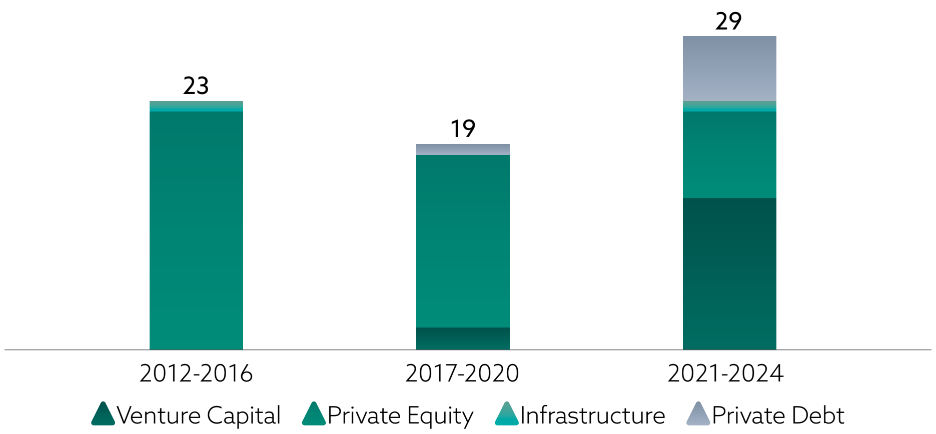
| | Côte d'Ivoire | Senegal | Democratic Republic of Congo (DRC) | Rwanda | Madagascar |
|---|---|---|---|---|---|
| **Deal Volume** | 71 | 58 | 47 | 36 | 31 |
| **Deal Value** | US$1.2bn | US$697mn | US$143mn | US$166mn | US$318mn |
| **Top Asset Class** | Private Equity (65%) | Private Equity (41%) and Venture Capital (41%) | Private equity (79%) | Venture capital (56%) | Private equity (77%) |
| **Most Active Sector** | Financials (28%) | Industrials (24%) | Consumer Discretionary (26%) | Consumer Staples (19%) & Consumer Discretionary (19%) | Consumer Staples (29%) |

Source: AVCA

## Côte d'Ivoire

Côte d'Ivoire has emerged as a leader in Francophone Africa's private capital landscape, embracing a new era of investment diversification to assert its market prominence. Today, Côte d'Ivoire leads the region in both deal volume and value. The country's 71 deals totalling US$1.2 billion represent 20% of the region's total deal volume and 25% of total deal value between 2012 and 2024 H1. This position has been steadily reinforced, as evidenced by a 2.5x increase in the country's annual average deal size to US$25 million between 2021 and 2024 H1 compared to prior years. This growth is driven by Côte d'Ivoire's ability to consistently attract deals above US$50 million, now averaging 14% of its annual deal volume since 2021, up from 6% between 2012 and 2020.

Figure 8: **Total Volume of Private Capital Deals in Côte d'Ivoire, By Asset Class, 2012 – 2024 H1**




Source: AVCA

The post-pandemic era marked a turning point for Côte d'Ivoire's private capital landscape, ushering in a new chapter of diversification. While private equity dominated the Ivorian market between 2012 and 2020, representing 90% of total deals, venture capital and private debt have since surged to the forefront. Combined, they represent 69% of total deal volume in the country between 2021 and 2024 H1. Venture capital, firmly established in Côte d'Ivoire by 2021, has since averaged 45% of the country's annual deal volume. This trend is underscored by the Pan-African VC fund 4DX Ventures' first Francophone investment in 2021 with *CinetPay*, an Ivoirian payment gateway facilitating mobile money in the region. Concurrently, private debt in Cote d'Ivoire is emerging as a compelling investment strategy within Francophone Africa. The country has concentrated nearly a third of all private debt deals in the region since 2022, exemplified by deals such as the €5.5mn mezzanine investment in *Afrique Phyto Plus*.

From a sector perspective, investments in Côte d'Ivoire have become increasingly concentrated. At the heart of this concentration lies the Financials sector, which saw its share of deal volume quadruple to 45% between 2021-2024 H1, compared to previous period 2012-2020. The sector owes its growth to the increasing penetration of FinTech deals, which command 77% of the Financials sector's deal volume. A deal that exemplifies the digitalisation of the Financials sector is the US$14mn investment round in neo-bank *Djamo*, co-led by Enza Capital, Oikocredit, and Partech Africa in 2022. The rise of FinTech reflects a broader digital wave across Côte d'Ivoire's economy, with tech deals representing 52% of total deal volume between 2021 and 2024 H1. Key players include companies like *LegalAfrik*, specializing in digital legal and administrative services and *TripAfrique*, an inter-city bus ticket booking platform, both of which have contributed to the country's digital transformation.

The Materials and Industrials sectors round out the Top 3, each drawing 15% of private capital dealmaking in Côte d'Ivoire between 2021 and 2024 H1. The Materials sector, previously backed solely by private equity, has seen private debt investments supporting its growth since 2021, representing 25% of deal volume in the sector from 2021 to 2024 H1. Companies in this sector focus on the production of phytosanitary products and packaging materials. In contrast, the Industrials sector saw a shift in its funding sources. Between 2012-2020, the sector was primarily backed by a mix of private equity and infrastructure investments. However, since 2021, venture capital investments have been replacing infrastructure funding and now account for 40% of the sector's total deal volume between 2021-2024 H1. Private equity still remains a significant player, representing 60% of the Industrials sector's deal volume during this more recent period. Within Industrials, the Commercial & Professional

Services sub-sector leads, offering businesses support services ranging from legal advice to tech-enabled carpooling solutions.

## Senegal

Senegal has emerged as a rising force in the Francophone African private capital landscape, carving out a significant niche within the tech venture ecosystem. The second most active market in Francophone Africa, it has attracted 58 deals worth nearly US$700mn since 2012, representing 16% of the regional deal volume and 15% of the regional deal value. The country's private capital industry has shown steady growth in deal volume, driven in recent years by a surge in venture capital. Since 2021, venture capital has become the dominant asset class, fuelling Senegal's rise and representing 66% of its deal volume.

The prevalence of VC has played a crucial role in shaping Senegal's investment landscape, driving rapid technological adoption across sectors. This shift is reflected in the penetration rate of technology, which stood at 66% between 2021 and 2024 H1. Technology has transformed traditional sectors like Financials and Industrials. Rare before 2021, investment in the Financials sector has since benefitted from the venture boom. It now ranks third by deal volume in the country, boasting nearly 90% of technology-enabled deals between 2021 and 2024 H1. The Industrials sector has also embraced technological innovation. Since 2021, 80% of Industrials deals involve tech-enabled companies, such as *Paps*, an on-demand logistics app, and *Afrikamart*, a network dedicated to streamlining agribusiness. This widespread tech adoption, particularly in Financials and Industrials, highlights significant potential for tech-driven growth, offering investors opportunities to capitalise on the intersection of traditional industries and innovative technologies.

## Rwanda

Crafting a narrative of innovation and promise, Rwanda is steadily arising as an important private capital market in Francophone Africa. 36 deals valued at US$166mn in Rwanda represent 10% of the region's total deal volume and 3% of its deal value (2012-2024 H1).

Figure 9: **Total Volume of Private Capital Deals in Senegal, By Asset Class, 2012 – 2024 H1**

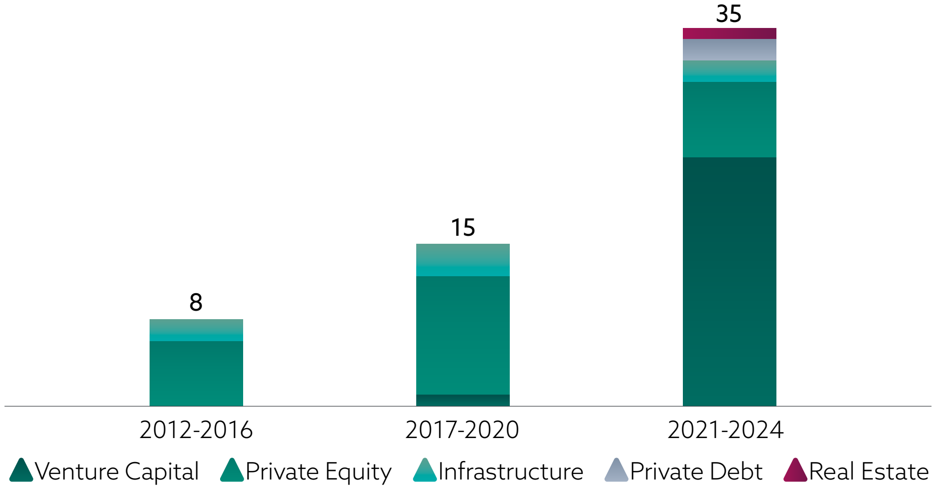
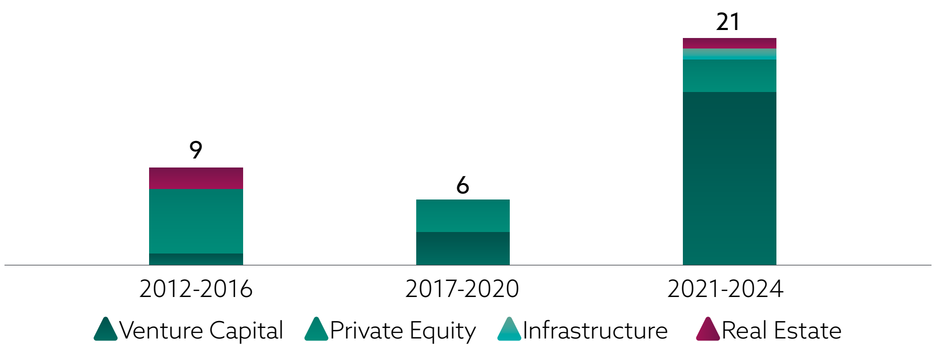



Figure 10: **Total Volume of Private Capital Deals in Rwanda, By Asset Class, 2012 – 2024 H1**




Source: AVCA

## 3.4 Private Capital Dealmaking By Sector

The venture capital transformation took hold in Rwanda's investment scene as early as 2019, quickly becoming the dominant asset class. The wave of venture capital in Rwanda has coincided with widespread digital adoption. 60% of all deals between 2019 and 2024 H1 involved tech-driven innovation, particularly in the Industrials and Utilities sectors, where every deal was in a company that leverages technology.

Unlike its regional counterparts, Rwanda offers a diversified sectoral landscape, with four sectors—Consumer Discretionary (24%), Consumer Staples (20%), Financials (16%), and Healthcare (12%)—together accounting for 72% of deal volume between 2019-2024 H1. The Healthcare sector in Rwanda is particularly dynamic, evidenced by several transactions such as the US$20m equity-debt funding of a dialysis service provider *Africa Healthcare Network* by AfricInvest and other investors in 2023, and *Viebeg*, a HealthTech company providing medical supplies in 2021.

**Consumer Staples, Financials, Consumer Discretionary,** and **Industrials** dominate private capital in Francophone Africa, capturing **68%** of all investments volume since 2012.

57%

**Technology-enabled** companies drove **57%** of deal volume in Francophone Africa from 2021 to 2024 H1.

**Financials** has solidified its leadership position propelled by the **strategic shift toward tech-enabled companies - FinTech** activity in the francophone region accounted for **80%** of the sector's deal volume between 2021- 2024 H1.

**Industrials, Utilities** and **Financials** sectors lead deal value in Francophone Africa, capturing **85%** since 2012

Mirroring broader continental trends, the private capital industry in Francophone Africa is shaping up to be a sectorally diversified ecosystem, harnessing the distinctive strengths of its economies and offering a broad spectrum of opportunities for investors and their capital allocation strategies.

The venture capital boom has reshaped the sectoral distribution of Francophone Africa's private capital landscape, creating both leaders and laggards. Between 2012 and 2020, four sectors—Consumer Staples, Industrials, Consumer Discretionary, and Financials—dominated, collectively accounting for 67% of deal volume and 58% of total deal value. With the recent surge in venture capital (2021-2024 H1), the Financials sector has emerged as the leader, now representing 26% of the region's deal volume and 18% of deal value. Consumer Staples, having lost a third of its previous share, now competes closely with Consumer Discretionary, holding 16% and 15% of deal volume respectively, though each account for only 2% of total deal value. Meanwhile, the Utilities sector has solidified its position, capitalising on the tech wave and attracting growing investor interest, with its share rising from 9% in 2012-2020 to 12% in 2021-2024 H1.

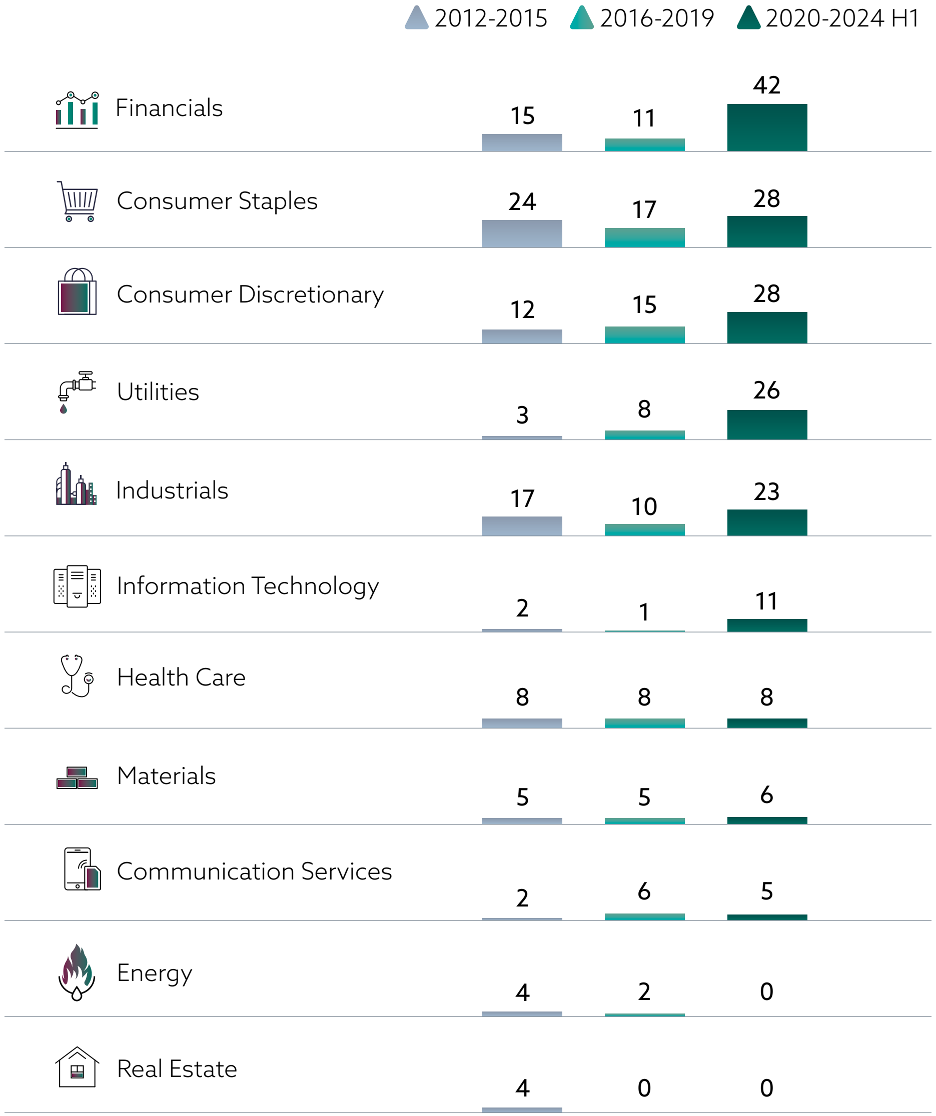
## Financials

The Financial sector has long been a magnet for investors located in Francophone Africa, attracting 68 deals valued at US$917mn from 2012 to date. In recent years, it has cemented itself as the region's leading investment sector. Financials deal volume rose by 43% between 2012-2020 and 2021-2024 H1, propelled by the region's strategic shift toward venture capital investments. Between 2021 and 2024 H1, Financials accounted for 26% of the region's deal volume and 18% of its deal value. Recent FinTech activity in the Francophone region - 80% of the sector's deal volume between 2021-2024 H1 – covered mobile money activities as well as lending and payment platforms. Blockchain, cryptocurrency, and digital insurance also carved out their niches, albeit to a lesser extent. Notably, the vibrancy of the Ivoirian market has sustained the Financials sector in Francophone Africa. This market alone represents 33% of its the sector's deal volume and 24% of the capital allocated between 2021-2024 H1.

## Consumer Discretionary

With 55 deals valued at US$104mn between 2012 and 2024 H1, the Consumer Discretionary sector has reinvented itself, fuelled by the digital wave and venture capital boom since 2021. This strategic diversification allowed for venture capital and real estate to emerge alongside traditional private equity investments, with these newer approaches capturing 63% and 8% of the

Figure 11: **Total Volume of Private Capital Deals in Francophone Africa, by Sector, 2012 – 2024 H1**



sector's deal volume respectively between 2021- 2024 H1. Senegal, Rwanda and Madagascar have been the key recipients of Consumer Discretionary investments, contributing to 79% of its deal volume and 90% of its deal value between 2021 and 2024 H1. Senegal has become a key player in private equity, accounting for 57% of deal volume in this category. Meanwhile, Rwanda has taken the lead in venture capital deals, representing 33% of the deal volume in this asset class. Real Estate activity is proportionally distributed among Senegal and Rwanda, each contributing to 50% of its deal volume. E-commerce and EdTech have been particularly dynamic segments within this sector. Companies like *Kasha*, a Rwandese venture focused on women's health and personal care products which raised US$21mn in 2023, are leveraging technology to address critical needs for women in the region.

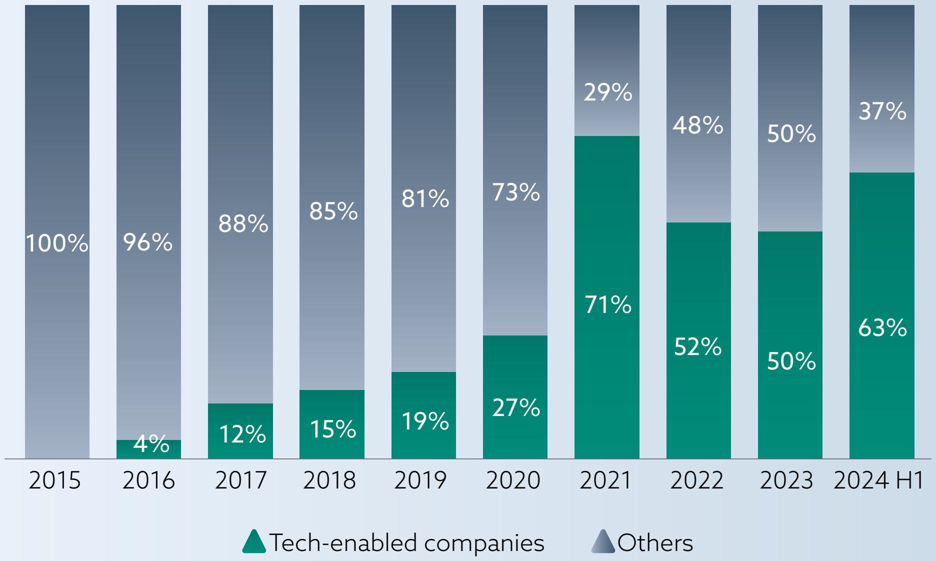
### Utilities

Following in the footsteps of the Financials sector, the Utilities sector has rebounded with 37 deals worth US$1.5bn, transitioning from opportunistic investments to embracing digital innovation and climate-friendly opportunities. This sector's evolution has unfolded in two phases. Initially, national-level infrastructure investments dominated, peaking in 2020-2021 when they accounted for 75% of deal volume. Since then, the landscape has shifted, with venture capital and private debt emerging as key drivers, representing 50% and 30% of the sector deal volume, respectively, between 2022 and 2024 H1. This new wave of investment has focused on tech-enabled solutions, particularly affordable solar home systems for households. The Democratic Republic of Congo (DRC) has led this transformation, accounting for 50% of tech-enabled utility deals in the region during 2022-2024 H1. A notable example is the US$40mn venture investment in *Nuru*, whose renewable energy-powered metrogrid leverages cutting-edge technology to deliver reliable power to urban communities in the DRC.

## THE VENTURE BOOM, ACCELERATING TECHNOLOGICAL EVOLUTION IN FRANCOPHONE AFRICA REGION

Since 2021, Investments towards technology-enabled companies have surged in Francophone Africa, representing 57% of the total deal volume and 23% of the total deal value. This marks a significant increase from the period 2015-2020 when tech companies accounted for only 13% of deal volume and 2% of deal value.

Figure 12: **Share of Investments in Tech or Tech-enabled companies in Francophone Africa, 2015 – 2024 H1**



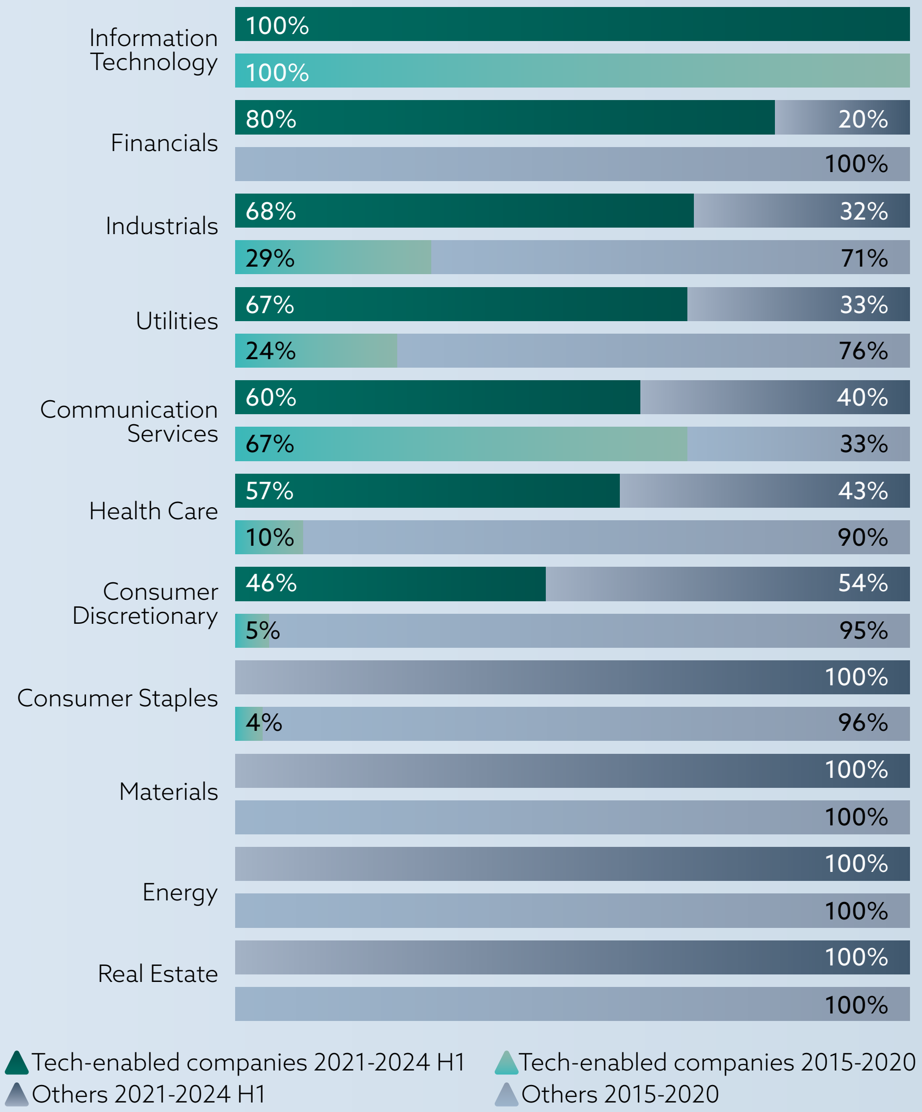

Source: AVCA

The tech wave, driven by venture capital growth seen across the continent, has permeated various sectors. The Financials sector has emerged as the vanguard of this transformation, boasting an 80% FinTech penetration rate since 2021. Companies like *Wave Mobile Money* which received US$200mn of VC funding in 2021 are at the forefront, revolutionising financial services with innovative mobile money platforms that are reshaping how millions of Africans interact with financial systems. HealthTech has also risen dramatically, with a 57% penetration rate in the 2021-2024 H1 period, up from near non-existence before 2020. This growth is fuelled by a range of telehealth applications, online doctor-patient platforms, and health monitoring solutions. For example, *Susu*, a health tech startup active in Cameroon, Senegal, and Côte d'Ivoire, is making healthcare more accessible and affordable.

Similarly, the Industrials and Utilities sectors have also seen tech penetration rates double to nearly 70% between 2021 and 2024 H1. In Industrials, tech companies are developing digital platforms to facilitate daily business operations, particularly in the logistics sector in Senegal. The growth of technology deals in the Utilities sector is fuelled by venture capital and infrastructure strategies, combining their efforts to sustainably power the region and households with solar energy.

While the tech boom has been felt across the region, three key markets have emerged as prominent tech hubs. Senegal leads the pack with a focus on companies developing innovative solutions for financial inclusion and digital logistics solutions. Côte d'Ivoire follows closely, with a particular emphasis on leveraging technology to modernise traditional sectors like financials and logistics. Rwanda rounds out the group with a diverse portfolio in financial inclusion, HealthTech, and renewable energy solutions. The Francophone African tech industry has demonstrated remarkable adaptability, capitalising on new tech opportunities driven by supportive government policies in these three key markets. These initiatives include digital infrastructure development and startup-friendly regulations that foster a conducive environment for tech growth.

Figure 13: **Share of Investments in Tech or Tech-enabled companies in Francophone Africa, by Sector, 2015 – 2024 H1**



## 3.5 Private Capital Exits

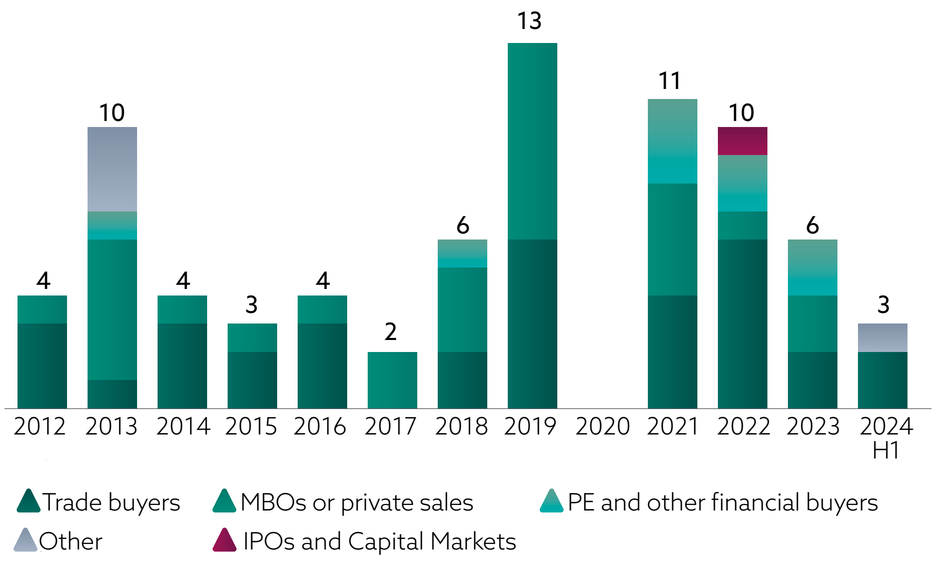
Francophone Africa's exit landscape has demonstrated robust adaptability; diversifying its sectoral distribution and exit opportunities. Over the past decade, the region recorded 76 exit transactions, accounting for 13% of Africa's total exit volume. 2019 was a standout year for exits, despite global macroeconomic headwinds that emerged later in 2022 which led fund managers to adopt a more cautious approach that thereby dampened exit activity across the region. Exit volumes in 2019 doubled compared to 2018, opening the doors to higher level of activity in following years and a more diversified exit landscape across Francophone Africa.

The 2019 surge was driven by a significant increase in exit activity in Senegal and Madagascar, which together represented 50% of the region's total exit volumes that year. These two markets offered unique opportunities for investors. Madagascar proved to be a dominant destination for trade sales, accounting for 33% of total Francophone trade exits that year. Meanwhile Senegal saw a higher proportion of Management Buyouts (MBOs), making up 43% of its exit transactions. Interestingly, the average holding period for sales to MBOs also shortened during this time, to reach 5.8 years, one of the lowest levels observed since 2012.

Building on the surge of exit activity observed in 2019, Francophone Africa has witnessed an increased diversification of its exit landscape, manifesting through the emergence of broader sectoral opportunities as well as the opening of new markets for investor exits.

Historically, Sales to Trade Buyers and MBOs dominated the exit landscape in Francophone Africa, accounting for 90% of exit volume between 2012 and 2019. This trend reflects the region's growing appeal to strategic buyers in the Financials sector seeking regional expansion, as well as the increasing ability of local management teams to assume ownership. In response to ongoing macroeconomic challenges and the nascent state of domestic capital markets, the demand for liquidity has driven sales of mature assets to private equity firms willing to enter the market. This shift has led to a notable increase in exits to PE and other financial buyers, which represented 23% of exit volume between 2021 and 2024 H1, up from just 3% in the preceding period. A prime example of this evolving landscape is Amethis' exit from *SodiGazGroup Burkina* in 2021 to African Infrastructure Investment Managers. Moreover, 2022 marked a milestone with the region's first IPOs, through *Ecobank Cote d'Ivoire*, previously held by Enko Capital.

Figure 14: **Total Volume of Private Capital Exits in Francophone Africa, by Year & Exit Routes, 2012 – 2024 H1**




Source: AVCA

While the Financials sector dominated exits with an average annual share of 40% between 2012 and 2018, 2019 marked a shift toward a more diversified exit landscape. In that year, Consumer Staples and Industrials joined Financials as leading sectors, setting the stage for broader sectoral exit opportunities in the years to follow. Francophone Africa's exit activity has unsurprisingly been concentrated in key markets—primarily Côte d'Ivoire (31%) and Senegal (15%)—which together accounted for nearly 50% of total exits from 2012 to 2024 H1. However, new markets are emerging like Madagascar in Consumer Staples sector and Cameroon and Burkina Faso in the Utilities sector. Côte d'Ivoire has established itself as a powerhouse in Energy and Consumer Staples, while Senegal leads in Communication Services. A couple of recent exits include the acquisition of ad marketplace *CoinAfrique* in 2022 and the 2024 acquisition of Cameroonian battery solutions provider *UpOwa*, both by trade buyers.

# Spotlight: Gender Diversity in Francophone Africa's Venture Ecosystem

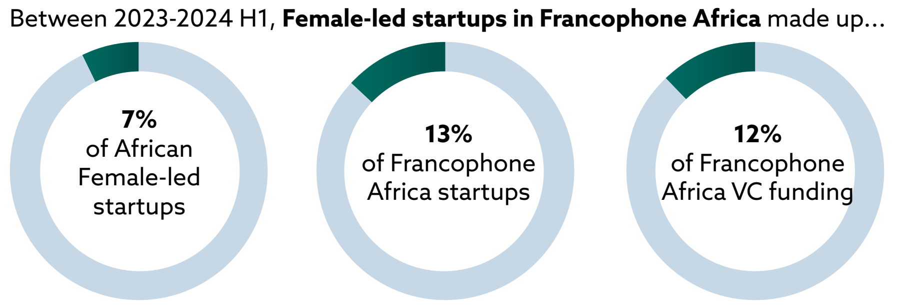
## Francophone Africa Makes Progress in Female-led Startup Funding ...

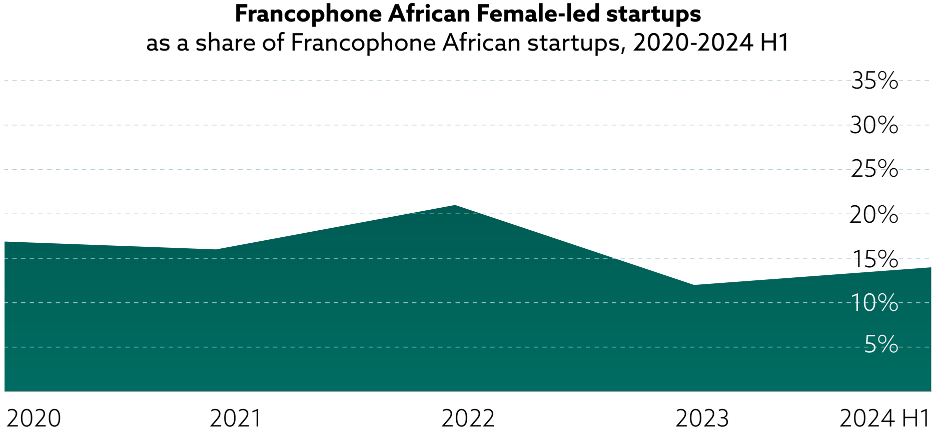
Francophone Africa's venture capital landscape has made strides in promoting gender diversity, showcasing female representation in leadership and driving forward principles of inclusivity. While progress is evident, gender parity remains an ongoing journey, as the growth in venture capital activity has not been evenly distributed between male and female-led startups.

Since 2020, Francophone Africa has consistently led the way in gender diversity within venture capital, often surpassing annual averages for Africa in both deal volume and value for female-led startups. Despite some fluctuations in the proportion of female-led startups attracting venture capital in Francophone Africa, the region has consistently outperformed the rest of Africa. From 2020 to 2024 H1, female-led ventures in Francophone Africa captured an average of 16% of deal volume, surpassing the continental average of 14%. This trend underscores the region's commitment to fostering inclusivity and promoting female entrepreneurship within its venture ecosystem, even amid variations in deal activity.

In terms of deal value, Francophone Africa has also shown a marked progression. Female-led startups captured a significant 52% of the region's venture deal value in 2020. However, this high proportion was notably influenced by a US$3.6 million Series A raised by *Kasha*, a Rwandese digital health startup founded and led by Joanna Bichsel. Kasha's funding round was over 5x larger than those raised by other female entrepreneurs in Francophone Africa that year, momentarily inflating the proportion of deal value attributed to female-led startups. Adjusting for this outlier, Francophone Africa's deal value for female-led startups has demonstrated a consistent upward trajectory, rising steadily from 1% in 2021 up to 12% by 2023 and reaching 18% in 2024 H1. This steady rise showcases the region's progressive investment climate, which continues to recognise the value and potential impact of female-led ventures.

Figure 1: **Key Facts on Female-Led startups in Francophone Africa**



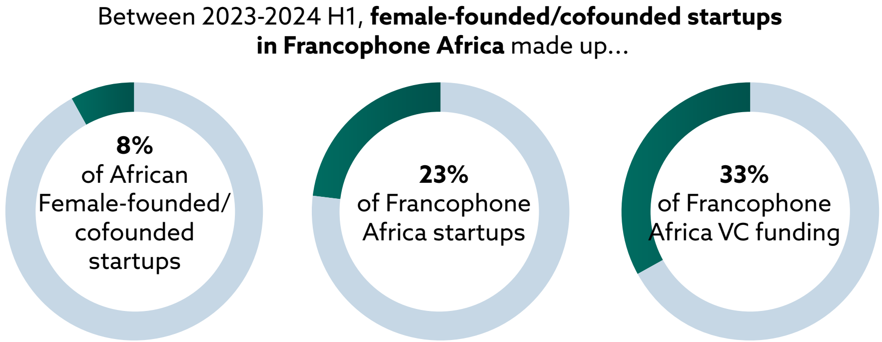

Source: AVCA

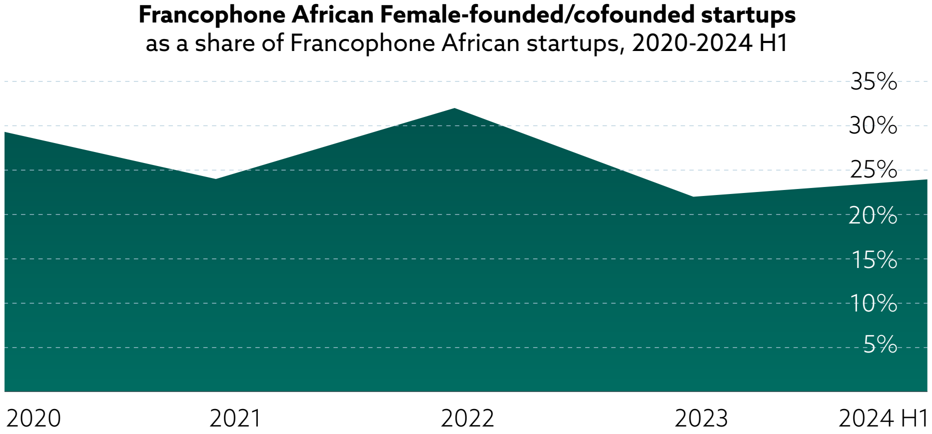
# ... and Takes Steps Towards Supporting Diversity

Gender-diverse startups (defined as those with at least one female founder) have also received increased investor attention. Between 2020 and the first half of 2024, these ventures represented 26% of deal volume attributed to the region, with a 19% share of total deal value. The number of VC-backed gender diverse startups in Francophone Africa tripled from just three unique companies in 2020 to nine by 2023. As of 2024 H1, five additional gender-diverse startups received funding, creating optimism that this number will surpass previous years by the end of 2024, assuming similar funding patterns continue. Although these gains remain modest compared to both the broader African continent and the number of male-founded startups securing capital in Francophone Africa, they highlight the region's incremental progress toward greater inclusivity, especially considering the smaller scale and earlier stage of Francophone Africa's nascent venture ecosystem.

While solo female founders in Francophone Africa still face challenges in accessing venture capital, there are signs of meaningful progress. They continue to capture only 1% of total venture capital funding in Francophone Africa between 2020-2024 H1 - a figure that unfortunately mirrors global trends. For comparison, solo female founders in the U.S. received just 2% of VC funding in 2023, while their European counterparts secured slightly under 1.5%[40]. Nevertheless, the region is making strides toward closing the funding gap. Encouragingly, the disparity in average ticket size between male and female founded startups has halved in recent years, dropping from US$8 million between 2021-2022 to $4 million from 2023-2024 H1. This shift signals a growing recognition of female-led ventures and a move toward more equitable funding. Despite these advances, there remains room for improvement in ensuring that solo female founders can access a fairer share of, and enjoy comparable benefits from, the increasing pool of venture capital in Francophone Africa.

Figure 2: **Key Facts on Female Founded/Co-Founded Startups in Francophone Africa**




Source: AVCA

## Senegal, Rwanda and Cameroon Lead the Charge in Gender-diverse Investments

Inter-country dynamics reveal both progress and persistent challenges in gender diversity within Francophone Africa's venture ecosystem. Senegal, Rwanda, and Cameroon have taken the lead in fostering gender-inclusive investments, with Senegal standing out for its strong female leadership. From 2020 to 2024 H1, 31% of Senegal's venture deal activity went to gender-diverse startups – over half of which were either solo female founders or all-female founding teams. Rwanda follows with roughly one in every five deals (18%) during the same period channelled to startups co-founded by women, reflecting the country's commitment to gender inclusivity. Cameroon rounds out the top three: 16% of its VC deal volume directed toward gender-diverse startups, more than half of which were also either solely or entirely female-founded. Notable examples in these countries include *Maad*, a Senegalese platform helping businesses to manage their field operators which raised a US$3.2mn seed round in May 2024 and *Koree*, a Cameroonian startup that raised a VC round in 2023 for its application offering cashback rewards.

Meanwhile, Côte d'Ivoire lags behind in female representation, with only 11% of its venture deals directed toward gender-diverse startups between 2020 and 2024 H1, and an even lower 7% going to female-led startups. This disparity highlights the ongoing need for greater inclusivity across all markets, even as standout countries like Senegal and Cameroon demonstrate the positive impact of a gender-diverse entrepreneurial landscape.

Figure 3: **Top 5 Francophone Africa Countries by Share of Venture Capital Investment in Female-Led Startups, 2020 – 2024**

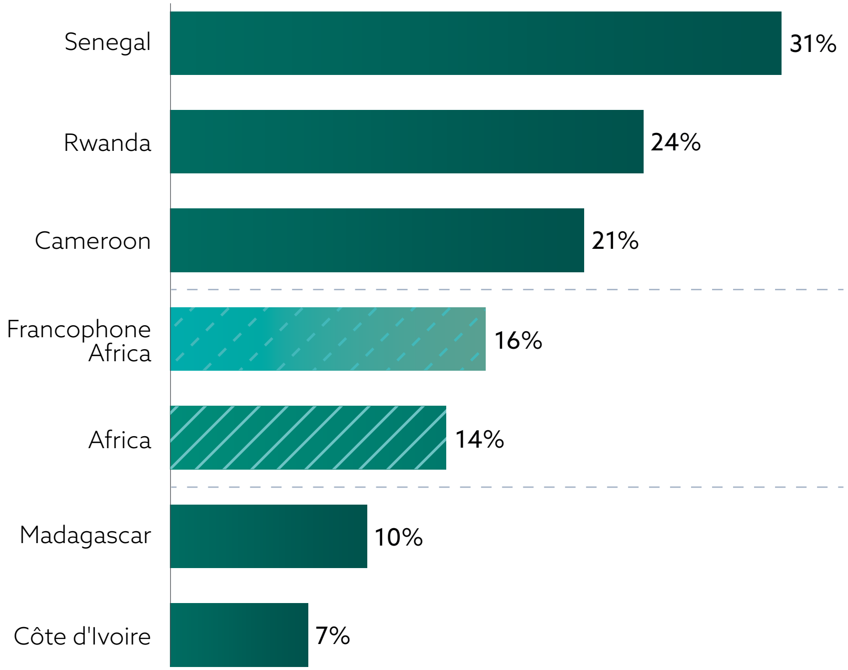
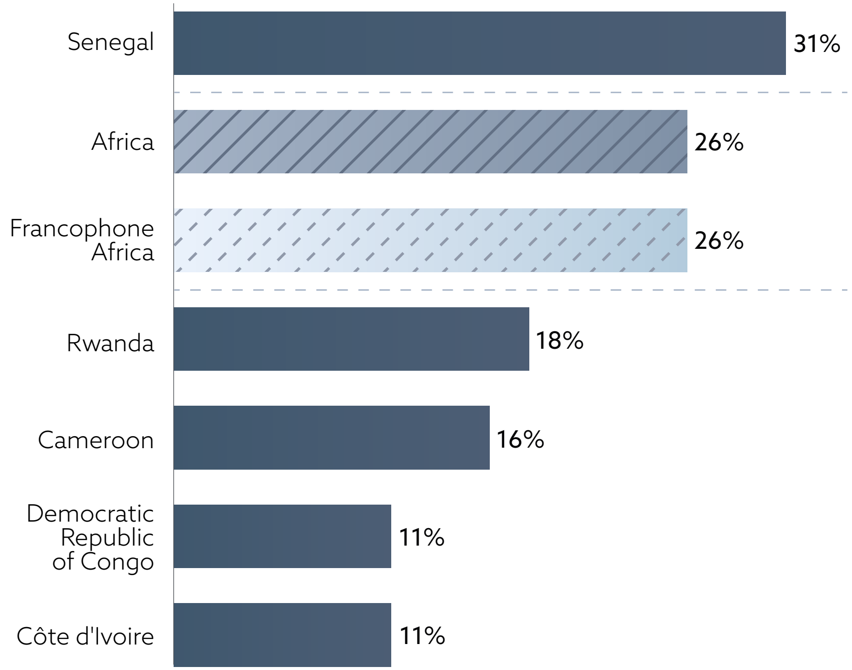



Figure 4: **Top 5 Francophone Africa Countries by Share of Venture Capital Investment in Gender Diverse Startups, 2020 – 2024**




Female founders  Female cofounded startups

Source: AVCA

In terms of the value of venture funding directed to gender-diverse startups between 2020 and 2024 H1, the Democratic Republic of Congo leads Francophone Africa, with 43% of its venture capital allocated to such companies. This high proportion was largely driven by the US$40 million Series A round raised by *Jambo* in 2022, a Congolese Web3 platform. Jambo's success not only evidences the increasing recognition of women in STEM (Science, Technology, Engineering, and Mathematics), it also underscores the broader trend toward the digitalisation and diversification of financial services in Africa. Rwanda follows closely with 37% of its venture funding going to gender-diverse startups. Cameroon ranks third, with 29% of its venture funding directed to gender-diverse startups, highlighting its own progress in fostering an inclusive entrepreneurial ecosystem.

Gender diverse founding teams in Francophone Africa's entrepreneurial landscape have a significant presence in the Consumer Discretionary and Consumer Staples sectors, accounting for 54% and 27% of total deal volume assumed by each sector from 2020, respectively. Deal activity in gender-diverse startups also show a concentration in the Financials (24%) and Industrials (22%) sectors, showcasing an increasing representation of women in sectors outside those traditionally associated with female entrepreneurial activity. A diverse group of innovative startups is emerging from these sectors, with women at their helm. These range from a pioneering currency trading solutions provider to ventures enhancing business transparency through technology. These companies are leveraging technological sophistication across various fields, including an ethical fashion brand advocating for sustainable practices, a FoodTech enterprise transforming local culinary markets, and health-focused companies improving access to care for women. Collectively, these startups are driving solutions that blend sustainability, scalability, and technological sophistication—boosting business efficiency and creating impactful social initiatives that particularly benefit women.

The strong representation of female-led and gender diverse companies in Francophone Africa's venture capital landscape reflects growing recognition of the value diversity brings to the region's entrepreneurial ecosystem. While progress is evident—particularly in narrowing the funding gap between male and female led ventures—challenges persist. Solo female founders, in particular, continue to face underrepresentation and receive a smaller share of venture funding.

Countries like Senegal, Rwanda, and Cameroon are leading the charge toward gender parity, but increased support for female-led ventures in cornerstone markets such as Côte d'Ivoire is necessary to foster broader inclusivity in Francophone Africa. The growing participation of women in sectors beyond those traditionally associated with female founders is another positive trend. This shift expands women's roles in diverse industries, driving Francophone Africa toward a more balanced venture ecosystem.

## SPOTLIGHT: Private Capital Activity in French-Speaking North Africa (2012-2024 H1)

### US$3.7bn

US$3.7bn invested in **237** deals

### Private Equity

Private equity was the most active asset class, accounting for **135** deals which represented **57%** of all private capital deals in the French-speaking North Africa region

### Exits

**Sales to PE and other financial buyers** was the top exit route, amounting to **23** deals (**32%** of total exits in the region)

### Industrials

Industrials was the most active sector by deal volume (**23%**) and deal value (**23%**)

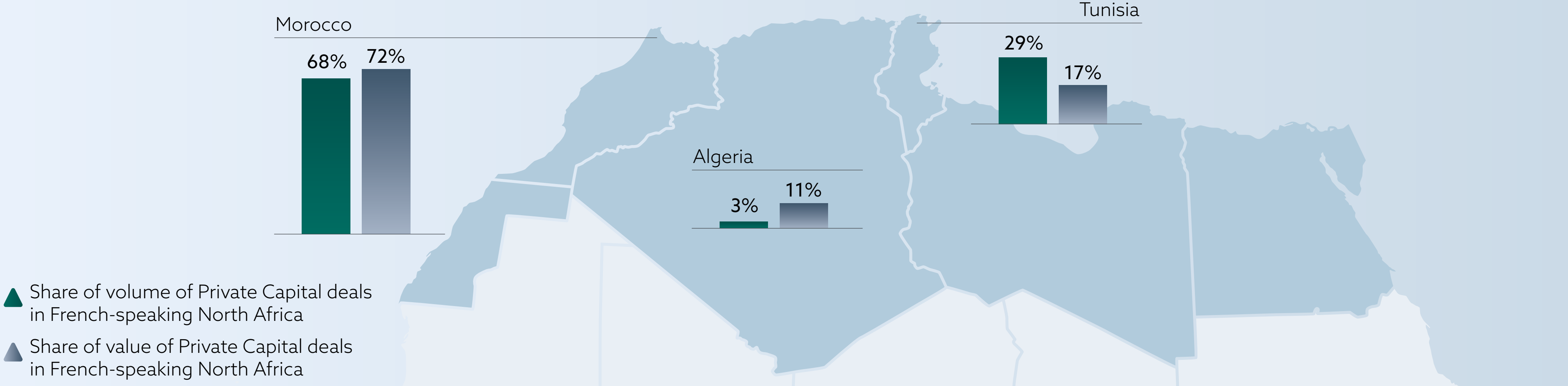
### Tech-enabled deals

**US$558mn** was invested in **87** tech-enabled deals, amounting to **47%** of deal volume in the French-speaking North Africa region

### Morocco

Morocco was the most active market, capturing **68%** of the region deal volume (**160 deals**) and **72%** of its deal value, (**US$2.7bn**)

Figure 15: **Share of Volume and Value of Private capital Deals in French-Speaking North Africa, by Country, 2012 – 2024 H1**

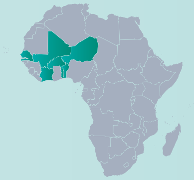


## SPOTLIGHT: Private Capital Activity in Regional Trade and Monetary Unions in West and Central Africa (2012-2024 H1)

Predominantly situated in West and Central Africa, Francophone African countries are distinctly organized along their geographic boundaries into two Trade and Monetary Unions: The West African Economic and Monetary Union (WAEMU) and the Central African Economic and Monetary Community (CEMAC), each demonstrating unique investment patterns. West and Central Africa naturally capture the majority of Francophone Africa's investment activity, with WAEMU driving most of the momentum. Companies headquartered in the WAEMU region have attracted 195 deals valued at US$2.3bn between 2012- 2024 H1, significantly outpacing the deal activity in the CEMAC region. While seeing fewer deals overall, the CEMAC region, has demonstrated comparable total capital allocation to WAEMU, bolstered by significant investments in transportation companies in the Industrials sector, which attracted the highest share of deal value (70%), totalling US$1.2bn throughout the period. Beyond these disparities, both regions have capitalized on the venture boom that swept across the continent from 2021 onward with venture capital overtaking private equity as the dominant asset class, albeit at different scales. In the WAEMU region, while private equity historically accounted for 86% of deal volume, venture capital and private debt have emerged as prominent asset classes since 2021 capturing 51% and 20% of deal volume respectively. FinTech and IndTech have been the main components driving growth within the Financials and Industrials sectors, representing respectively 75% and 80% of both sectors, while the Consumer Staples sector has seen renewed investor interest, particularly through private debt instruments. Venture capital has also dominated the investment landscape within the CEMAC region, representing 71% of deal volume between 2021- 2024 H1, compared to the historical share of 65% of private equity in deal volume. Recent deals have been driven by FinTech, HealthTech, and Information Technology (2021–2024 H1), marking a shift from the previous period when the Consumer Staples sector dominated deal activity in the region.

Figure 16: **Private Capital Dealmaking by Africa Regional Trade and Monetary Unions, 2012 – 2024 H1**

**WAEMU (West African Economic and Monetary Union)**



195
deals

US$2.3bn
Total reported value between 2012-2024 H1

58% of deal volume
**Private Equity** was the most popular asset class accounting for **114** deals

22% of deal volume
**Consumer Staples** was the most active sector by deal volume, with **42** deals

US$909mn
between 2012-2024 H1, the **Utilities** sector attracted the highest share of deal value, **39%** of total deal value

**CEMAC (Economic and Monetary Community of Central Africa)**

34
deals

US$1.7bn
Total reported value between 2012-2024 H1

44% of deal volume
**Private Equity** deals were the most popular asset class between 2012-2024 H1

21% of deal volume
**Financials** was the most active sector by deal volume between 2012-2024 H1

US$1.2bn
between 2012-2024 H1, the **Industrials** sector attracted the highest share with **70%** of the region deal value

# Private Capital Regional Landscape Francophone Africa: Methodology

## Scope

AVCA's Private Capital Regional Landscape: Francophone Africa report presents the current state of the private capital in Francophone Africa and provides an overview of the latest trends of fundraisings, investments, and exits.

Francophone Africa comprises of 21 countries in Sub-Saharan Africa all formally recognised by national authorities as using French as an official language: Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Côte d'Ivoire, Djibouti, Republic of Congo, Democratic Republic of Congo, Equatorial Guinea, Gabon, Guinea, Madagascar, Mali, Niger, Rwanda, Senegal, Seychelles and Togo. Although French is widely spoken in Morocco, Tunisia and Algeria, it is not an official language and therefore not included in our current methodology. These countries will instead be discussed in the upcoming *North Africa Regional Report*.

The report covers activity by private capital fund managers that have raised third-party funds from institutional investors and are active across the following alternative investments: venture capital, private equity, infrastructure, private debt including venture debt and real estate.

## Data sources and quality controls

The AVCA Research team collects data on a semi-annual basis directly from fund managers, press releases, and uses desk-based research to ensure data completeness. The AVCA research team reviews all data obtained, queries any obvious errors, verifies the cut-off rules, and processes all necessary changes to historical data that have been reported by contributors. Therefore, AVCA cannot guarantee the ultimate accuracy of the data.

## Statistics explained

### Market approach

AVCA data and statistics are based on the "market approach". The statistics are an aggregation of the figures according to the geographical destination of the capital, regardless of the location of the private capital fund. At the African level, this relates to fundraising for Africa, and investments in companies headquartered or with major operations in Africa, regardless of the location of the private capital fund.

### Investments

Deals cover all investments made by private capital funds across venture capital, private equity, infrastructure, private debt and real estate. They include all deal types associated with these asset classes, namely seed, early-stage, later stage, growth capital, buyout, greenfield, brownfield, direct lending, distressed debt, mezzanine, venture debt. Deals value includes equity, mezzanine, junior & senior debt and significant co-investments (where available).

### Exits

AVCA data and statistics on exits only include full exit by the private capital fund. A single exit is regarded when private capital funds have invested and exited in the same company simultaneously.

### Fundraising

AVCA data and statistics on fundraising only include final closes by the private capital fund. However, the report also provides an indication of interim closes that were reported during the year 2023. It is to be noted that, only funds that focus solely on Africa or have an allocation to Africa alongside a broader emerging markets investment mandate are included in the report. Funds with a global investment remit that invest in Africa are excluded.

**Sector**

The classification of invested company by sector is based on the 2018 Global Industry Classification Standard Classifications (GICS). A detailed breakdown is provided as follows:

**Consumer Discretionary**
- Automobile & components
- Consumer durables & apparel
- Consumer services
- Retailing

**Consumer Staples**
- Food & Staples Retailing
- Food, Beverage & Tobacco
- Household & Personal Products

**Financials**
- Banks
- Diversified Financials & Capital Markets
- Insurance

**Information Technology**
- Software & IT Services
- Technological Hardware & Equipment
- Semiconductors & Equipment

**Communication Services**
- Telecommunication Services (including Wireless)
- Media & Entertainment

**Healthcare**
- Healthcare Providers Equipment & Services
- Pharmaceuticals, Biotechnology & Life Sciences

**Industrials**
- Capital Goods
- Commercial & Professional Services
- Transportation

**Materials**
- Chemicals
- Construction Materials
- Metals & Mining
- Paper & Forest Products

**Real Estate**
- REITs - Equity Real Estate Investment Trusts
- Real Estate Management & Development

**Energy**
- Energy Equipment & Services
- Oil, Gas, Consumable Fuels

**Utilities**
- Electric utilities
- Gas utilities
- Multi-utilities
- Water utilities
- Independent Power & Renewable Electricity Producers

**Confidentiality**

All data received is treated with the utmost confidentiality. Only AVCA research team has access to the underlying data and data is published in an aggregated form only.

## Endnotes

1 World Bank Databank
2 Benin, Burkina Faso, Burundi, Cameroon, Chad, Comoros, Djibouti, Republic of Congo, Democratic Republic of Congo, Equatorial Guinea, Gabon, Guinea, Madagascar, Mali, Niger, Rwanda, Senegal, Seychelles and Togo
3 Although French is widely spoken in Morocco, Tunisia and Algeria, it is not an official language and therefore not included in our current methodology. These countries will instead be discussed in the upcoming *North Africa Regional Report*.
4 Francophone countries in the West African Economic and Monetary Union include Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Senegal and Togo
5 Francophone countries in the Central African Economic and Monetary Community include Chad, Cameroon, Republic of Congo, Central African Republic, Equatorial Guinea and Gabon
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31 World Bank, 2024. *Rwanda Economic Update*
32 International Monetary Fund, 2024. *World Economic Outlook*
33 UMOA-Trites, 2024. *Côte d'Ivoire: A Dynamic and Resilient Economy*

34 Bloomberg, 2019. *Private Equity in Senegal Gets Jump-Start With State Backed Fund*
35 For context, tech-enabled deals have accounted for over 40% of deal volume in Africa since 2015.
36 ICT Works, 2018. *DER Senegal: Innovative Government Funding for African Entrepreneurship*
37 Investment Climate Reform Facility, 2021. *Start-up Acts: An Emerging Instrument to Foster the Development of Innovative High-Growth Firms*
38 ICT Works, 2018. *DER Senegal: Innovative Government Funding for African Entrepreneurship*
39 Ernst Young, 2021. Rwanda Gazettes New Investment Promotion and Facilitation Law
40 Pitchbook, 2024. *Women in VC: European VC Female Founders Dashboard*

**Contact AVCA**
37 North Row
3rd Floor
London W1K 6DH

E avca@avca.africa
W www.avca.africa
C www.avcaconference.com
T +44 (0)20 3874 7008

## Championing Private Investment in Africa

The African Private Capital Association is the pan-African industry body which promotes and enables private investment in Africa.

AVCA plays an important role as a champion and effective change agent for the industry, educating, equipping and connecting members and stakeholders with independent industry research, best practice training programmes and exceptional networking opportunities.

With a global and growing member base, AVCA members span private equity and venture capital firms, institutional investors, foundations and endowments, pension funds, international development finance institutions, professional service firms, academia, and other associations.

This diverse membership is united by a common purpose: to be part of the Africa growth story.