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IPDEV2 hits first close

Author: Africa Global Funds | Date: Oct. 27, 2015

Investisseurs & Partenaires (I&P), an impact investment group dedicated to African SMEs, has announced the first closing of IPDEV2, the first incubator and sponsor of African impact funds.

IPDEV2's second closing is expected early 2016, with a fundraising objective of €20m.

The fund has received support from 15 impact oriented investors including West African Bank of Development, FISEA managed by Proparco, as well as private foundations and philanthropic individuals Edmond de Rothschild Foundation, Lundin Foundation, Caritas, and Small Foundation.

IPDEV2 will bring about a third of the capital of each African fund sponsored.

IPDEV2 will catalyze local financial resources from African business angels and private investors, constituting a global investment program of €200m.

The project is also financed through a grant program, which covers the set-up costs of each African fund and the technical assistance programs dedicated to the small growing businesses.

IPDEV2 is the winner of the ANDE-Argidius Finance Challenge and has raised a total of €2.25m in grants, thanks to the contributions of the Argidius Foundation, the French Development Agency, Proparco and the Government of Monaco.

While three funds are already operational, in Niger, Burkina Faso and Senegal, IPDEV2 aims to build a network of 10 impact funds in 10 African countries over the next 10 years, in order to finance the small and early-stage businesses of the continent.

"IPDEV2 will build a unique offer of long term financing for early stage and small businesses in Africa. IPDEV2 also intends to show that it is possible to invest in such small businesses in a profitable way and with high social and economic impacts, in order to encourage other initiatives of this kind," said Emilie Debled, Business Development Director at I&P.

Co-founded in 2006 by I&P and 6 Nigerien entrepreneurs, Sinergi Niger is the pilot project of IPDEV2, and has invested in 8 start-ups and realized 3 exits so far.

Two new impact funds have been launched through IPDEV2: Sinergi Burkina, created in 2014, which already counts one company in its portfolio, and Teranga Capital in Senegal, which should announce its final closing by the end of the year.

Seven other impact funds will be launched in the target countries (Ivory Coast, Ghana, Mali, Cameroon, Madagascar, etc.).

This program will provide equity finance to 500 African small growing businesses with needs comprised between 30,000 and 300,000 euros, and directly create 15,000 formal jobs on the continent.

In addition to bringing catalytic capital, IPDEV2 will transfer its investment tools and know-how, and support each African investment team into the adoption of sustainable practices, based on the 13 years of experience of Investisseurs & Partenaires' team.

I&P manages three impact funds, IPDEV, IPDEV2 and IPAE, which represent a total of €75m.

Created by Patrice Hoppenot and headed by Jean-Michel Severino since 2011, the I&P team comprises about 20 collaborators in Paris and in its six African offices in Cameroon, Côte d'Ivoire, Senegal, Ghana, Burkina Faso and Madagascar.

Since its creation in 2002, I&P has invested in more than 50 companies, located in 15 African countries and operating in various sectors.

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