EAVCA
East Africa Venture Capital Association

East Africa Private Capital Fundraising Landscape

2023-2025

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Foreword

Over the last few years, I have had the privilege of engaging with fund managers, institutional investors, policymakers, development finance institutions, and entrepreneurs across East Africa. One message has remained consistent: the opportunity in this region is undeniable, but unlocking it at scale will require greater collaboration, deeper pools of capital, and stronger market infrastructure.

The fundraising activity captured in this report reflects an industry that continues to evolve despite a difficult global environment. It reflects growing confidence in Africa's long-term growth story, the resilience of experienced fund managers, and the continued commitment of investors who recognise the transformative role private capital can play in our economies.

For EAVCA, perhaps the most important conversation is around local capital. East Africa has the savings, the institutions, and the investment opportunities needed to build a more resilient and self-sustaining private capital ecosystem. The challenge before us is how we connect them more effectively. Mobilising even a small proportion of domestic institutional capital into private markets has the potential to significantly expand access to growth capital for businesses across the region while creating long-term value for local savers.

This report is intended to contribute to that discussion. Beyond the transactions and fundraising announcements, it offers insight into the trends shaping capital formation across the region, the evolution of investor preferences, and the opportunities emerging across private equity, venture capital, private credit, infrastructure, and climate-focused investments.

As an Association, we remain committed to working closely with investors, regulators, policymakers, and development partners to strengthen the enabling environment for private capital. Through advocacy, research, capacity building, and industry engagement, EAVCA will continue to champion initiatives that support capital mobilisation and deepen the region's investment ecosystem.

East Africa's private capital story is still being written. The progress made over recent years gives us every reason to be optimistic, but the next phase will require greater ambition, stronger partnerships, and a collective commitment to building markets that are both competitive and sustainable.

The opportunity ahead is significant. So too is the responsibility to ensure that capital reaches the businesses, sectors, and markets that will drive East Africa's future growth.

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Executive Summary

Private capital fundraising for Africa sustained remarkable momentum between 2023 and 2025, despite a challenging global macro backdrop characterised by elevated interest rates, dollar strength, and geopolitical uncertainty. The data tracked by EAVCA reveals a market that is broadening in both investor type and asset class, while deepening its thematic focus on climate, gender, and financial inclusion.

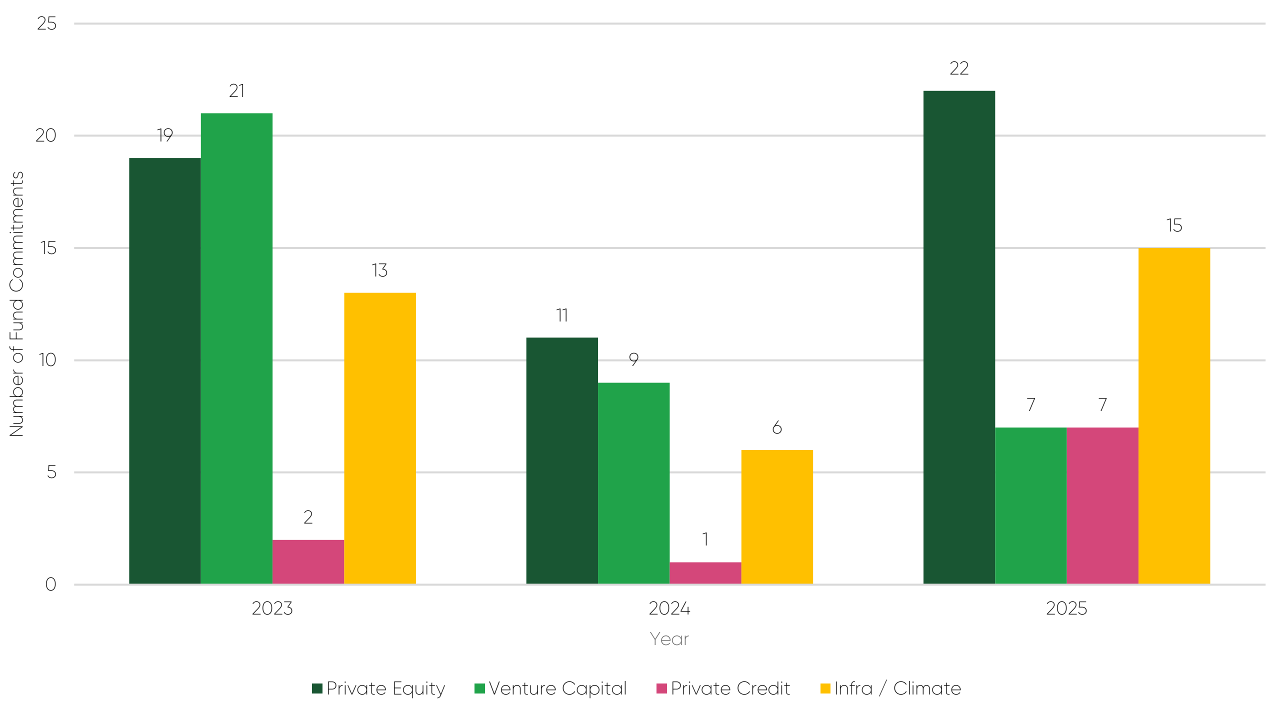
Headline Findings

- DFIs remain the anchoring force in African private capital formation. European DFIs appear in the overwhelming majority of first closes tracked in the dataset, committing the bulk of disclosed committed capital. Institutions such as IFC, EIB, BII, Norfund, Swedfund, FMO, Proparco, and DEG dominate the LP register of virtually every significant fund close in the dataset.
- DFI co-investment concentration is a defining structural feature. Ten fund closes in the dataset saw three or more DFIs co-investing simultaneously in a single vehicle, making the market look more diversified at the transaction level than it is at the source-of-capital level.
- Blended finance structures have become the standard architecture for infrastructure and climate funds. Nearly every large infrastructure close in the dataset combines concessional or grant capital with commercial tranches, creating risk-adjusted return profiles that attract a wider LP base.
- Private credit is the fastest-growing asset class in the dataset by deal count, rising from 2 deals in 2023 to 7 in 2025. Managers such as BluePeak Private Capital, TLG Capital, Enko Capital, and Lendable are raising dedicated credit vehicles that fill the financing gap between what banks will lend and what equity investors will fund.
- Venture capital is maturing but concentrating. The 2023-2025 period saw milestone closes: TLcom Capital's TIDE Africa Fund II at USD154 million, Norrsken22 at USD205 million, and Partech Africa II at USD263 million. Yet the portfolio company names cited across GP fund descriptions are strikingly similar, raising questions about genuine market diversification.
- Local capital is stirring but barely. African institutional investors appear in just 5 deals across the dataset. The Central Bank of Kenya Pension Fund, ABSA, Standard Bank, Sanlam, ZepRe, and SICOM Global are the named movers, important first steps representing a fraction of the USD30 billion-plus in East African pension assets that could be mobilised.
- Climate and energy transition funds attracted the largest single commitments: AFC Capital's USD750 million Climate Resilient Infrastructure Fund, EAAIF's USD660 million capital raise, and Mirova at USD193 million. The top ten disclosed transactions represent approximately 49% of total disclosed value in the dataset, a concentration signal that warrants attention.
- Japanese and Asian capital is quietly entering the market. JICA, SBI Holdings, Sumitomo, Toyota Tsusho, Nissui, and SMBC collectively appeared in 5 deals representing USD703 million in disclosed capital across 2023-2025, almost entirely unreported in the mainstream African investment press.

KEY INSIGHT:

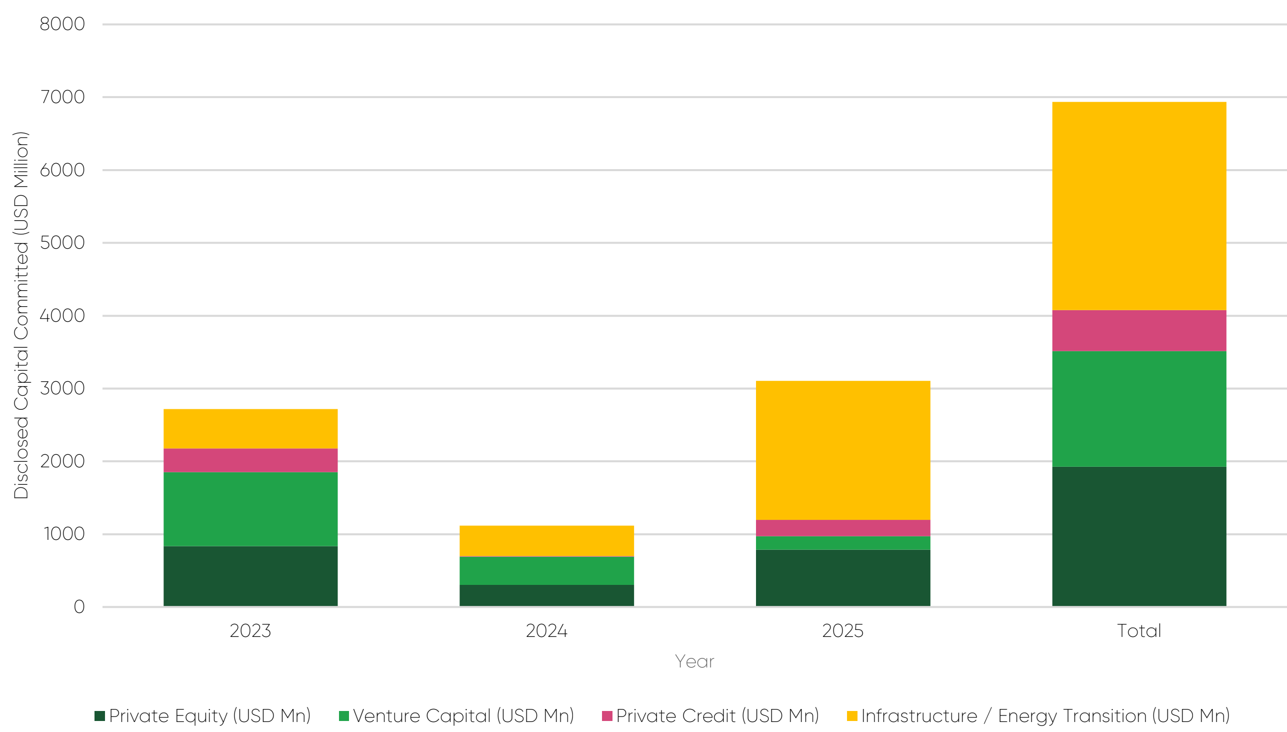
East Africa attracted USD6.9 billion in disclosed private capital commitments across 151 tracked fund commitments between 2023 and 2025, a market that has decisively crossed the threshold from frontier to emerging. The concentration of that capital, with the top five fund managers representing 33% of disclosed value and the top ten representing 49%, is not a ceiling. It is the starting point for the next generation of the ecosystem.

Figure 1: Fund Commitment Count by Asset Class and Year (2023-2025)



Count of individual LP-to-GP commitments tracked by EAVCA

Figure 2. Disclosed Capital Committed by Asset Class and Year (USD Million)



Disclosed values only; undisclosed commitments excluded

What Investors Are Watching

- Exit pathways: The fundraising narrative in African private capital remains overwhelmingly forward-looking. When LPs ask hard questions in 2025, they are increasingly about exits and realised returns, a conversation the ecosystem must now have openly if it is to graduate from promising to proven.
- Currency risk management remains a top-of-mind concern for foreign LPs. Funds demonstrating local currency revenue streams or natural hedges are receiving a premium.
- Gender-lens mandates were the fastest-growing LP requirement in the dataset through 2025, then the political weather changed. US-linked institutional capital has grown markedly more cautious, while European DFIs have held their ground. The capital is still there. The language around it is being carefully rewritten.
- The fundraising calendar reflects a DFI administrative rhythm more than a fundraising strategy. Closes cluster in H1 because DFI investment committees approve commitments against annual budget cycles, and legal agreements follow 60 to 90 days later. The practical lesson is not to target a March close. It is to be inside a DFI's pipeline by the prior October.

Global Context: The LP Environment, 2023-2025

Understanding East Africa's fundraising environment requires situating it within the global private capital cycle. The three-year period under review coincided with one of the most challenging fundraising environments in recent memory for managers globally.

Global Private Capital Headwinds

Global private equity and venture capital fundraising contracted sharply from its 2021-2022 peaks as the Federal Reserve and other major central banks aggressively raised interest rates to combat inflation. Higher risk-free rates reduced the relative attractiveness of illiquid alternative assets, while the denominator effect, where falling public market valuations inflated LP exposure to alternatives as a proportion of total portfolio, triggering internal allocation limits and causing many institutional investors to pause new commitments, compounded the pressure.

Preqin data indicates that global PE fundraising fell for two consecutive years in 2022 and 2023 before beginning a modest recovery in 2024. Emerging markets, including Africa, were not immune. However, the structural case for Africa, driven by demographics, urbanisation, technology adoption, and untapped consumer markets, continued to attract conviction capital from DFIs, impact-oriented LPs, and development-aligned institutions.

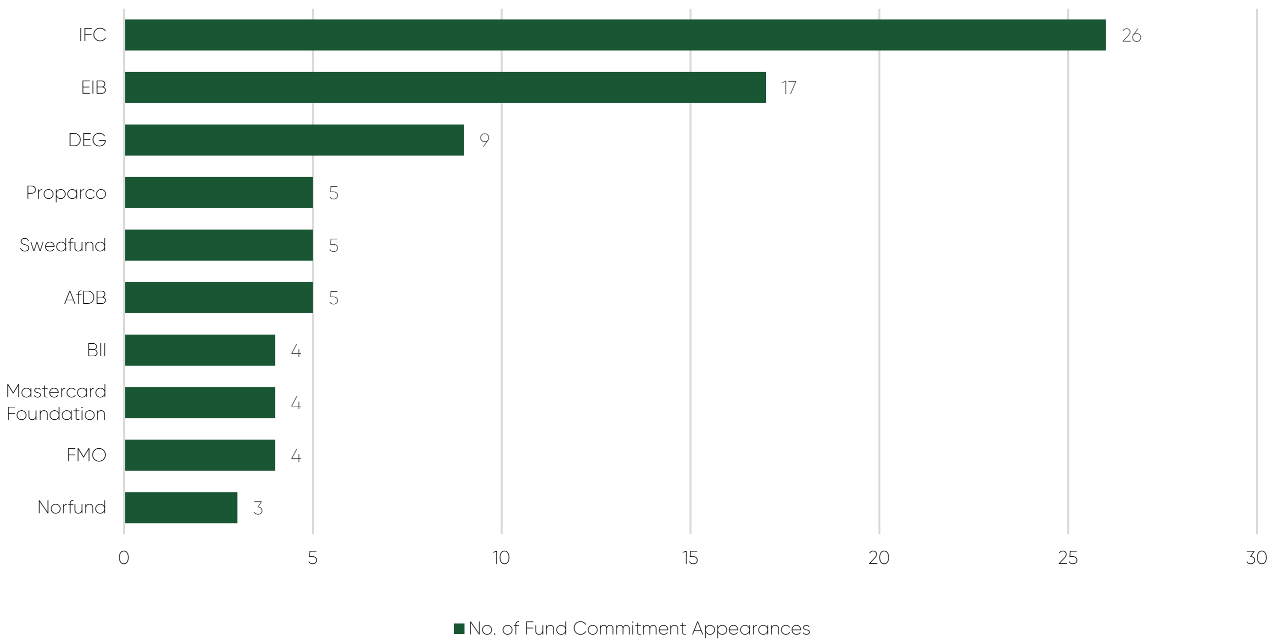
The DFI Safety Net and Its Implications

Africa's private capital markets benefit from a structural advantage that most other emerging market regions lack: a dense network of development finance institutions with explicit mandates to crowd in private capital. IFC, EIB Global, BII, Norfund, Swedfund, FMO, Proparco, DEG, FinDev Canada, SIFEM, IFU, and AfDB each made multiple fund commitments in the 2023-2025 period, often co-investing with one another in the same vehicles.

The EAVCA dataset reveals that IFC appears in 26 single-name LP records across the period, while EIB appears in 17. Notably, EIB carries the highest disclosed value among single-name LP entries at USD1,209 million, compared to IFC at USD714 million, reflecting EIB's larger average ticket size. Together these two institutions touched the LP register of virtually every significant fund close in the dataset, creating a market dynamic in which securing a first DFI commitment is both the most important and the most difficult step in any African fund manager's fundraising process.

DFI concentration creates both structural strengths and systemic tensions. On the positive side, DFI participation provides a quality signal, a reputational anchor, and, through first-loss tranches or concessional equity, a de-risking mechanism that attracts commercial LPs who would otherwise not allocate to the region. On the risk side, deep DFI dependence can suppress the development of an independent commercial LP base; concentrate institutional capital validation around a small number of established managers at the expense of first-time and emerging GPs; and create structural fragility in fund capital structures that only becomes visible when a key DFI anchor shifts its priorities or reduces its deployment pace. The events of early 2025 brought each of these dynamics into sharp relief.

Figure 3. Most Active LP Institutions by Fund Commitment Appearances (2023-2025)



A single LP may appear multiple times across different fund closes

The Rise of Non-Traditional LPs

A notable feature of the 2023-2025 vintage is the diversification of LP types appearing alongside DFIs. The dataset records participation from:

- **Sovereign and quasi-sovereign funds:** Egypt's MSMEDA and Tunisia's Anava Fund of Funds both committed to LoftyInc Capital's Alpha Fund (USD43 million first close, 2025), targeting Nigeria, Egypt, Kenya, and Francophone Africa. Africa50, the AfDB-anchored pan-African infrastructure platform owned by 32 African governments, raised USD118 million for its Alliance for Green Infrastructure in Africa fund in 2025, representing a distinct model: African sovereign capital organised as a GP, mobilising development finance from KfW, FCDO, and others.
- **Corporate strategics:** Allianz Global Investors (via AfricaGrow), Bertelsmann, Schneider Electric, Royal Philips, MSD, and Toyota Tsusho.
- **Japanese and Asian institutions:** JICA, SBI Holdings, Sumitomo, Nissui Corporation, and SMBC, five deals, USD703 million disclosed, almost entirely unreported. A structural trend EAVCA is actively engaging with.
- **Foundations and philanthropic capital:** Gates Ventures, Visa Foundation, Mastercard Foundation Africa Growth Fund, Shell Foundation, and The DOEN Foundation.
- **African pension and insurance:** Central Bank of Kenya Pension Fund, Sanlam, ABSA, Standard Bank, ZepRe, and SICOM Global. Just five deals, but the most consequential data points in the dataset for EAVCA's mission.

East Africa Private Capital: A Three-Year View

East Africa, defined here to include Kenya, Uganda, Tanzania, Rwanda, Ethiopia, and the Democratic Republic of Congo, sits at the frontier of Africa's most compelling private capital opportunity. Nairobi has established itself as the undisputed hub for fund managers covering the region, offering institutional infrastructure, a deep talent pool, and direct access to East Africa's most liquid exit markets. Rwanda's Kigali International Financial Centre (KIFC) is rapidly emerging as the region's second anchor, attracting fund domicile registrations and signalling a regulatory ambition that is beginning to rival Mauritius for Africa-focused vehicles.

The dataset reflects a familiar pattern: Kenya draws the lion's share of named fund mandates, with Tanzania and Uganda appearing as secondary targets, and Ethiopia, Rwanda, and DRC featuring rarely despite their scale and growth trajectories. EAVCA reads this not as evidence of limited opportunity, but as evidence of limited LP familiarity, a gap that is both the association's central challenge and its greatest commercial argument.

The markets that are underrepresented in today's fund mandates are precisely the markets where entry valuations are most attractive, competition for deals is thinnest, and the infrastructure investment gap is largest. Uganda's infrastructure deficit, Tanzania's resource economy, Ethiopia's 120 million consumers, Rwanda's governance premium, and DRC's mineral wealth are not frontier risks to be avoided. They are the next chapter of the East African investment story.

Key East Africa Transactions (2023-2025)

The following represent selected, illustrative examples of transactions that either target East Africa specifically or in which East African economies are named as primary investment geographies. Detailed transaction data is available to EAVCA members.

Venture Capital and Growth Equity

- **Novastar Ventures (Africa People and Planet Fund III):** Attracted commitments from DFC (2023), Swedfund (2025), Green Climate Fund (2025), and SMBC (2025). The breadth of LP types signals strong conviction in this Nairobi-headquartered manager.
- **TLcom Capital (TIDE Africa Fund II, USD154 million final close, 2024):** EIB, AfricaGrow, Visa Foundation, FMO, DEG, and Bertelsmann, a diverse institutional roster for one of the region's flagship VC funds.
- **XSML Capital (African Rivers Fund IV, USD98.7 million first close, 2024):** Central and Eastern Africa focus, Uganda, DRC, Angola, with backing from Norfund, Swedfund, BII, FMO, SIFEM, and IFC.
- **KawiSafi Ventures (KawiSafi II, USD10 million AfDB commitment, 2024):** Clean-energy focused VC in East Africa backed by AfDB's Sustainable Energy Fund for Africa.

Private Equity

- **Inside Capital Partners (Inside Equity Fund II, USD100 million target):** East and Southern Africa-focused PE fund backed by IFC.
- **Metier Capital Growth Fund III (USD15 million IFC commitment, 2023):** Explicitly focused on East and Southern Africa, targeting USD250 million.
- **Inua Capital / Inua Impact Fund (USD8 million, 2023):** Uganda's first resident impact investment fund, backed by I&P and EDFI AgriFI, investing with a gender lens in Ugandan SMEs.

Infrastructure and Climate

- **Rift Valley Energy (Tanzania, USD15 million from BII via Meridiam, 2024):** Direct project financing for sustainable energy expansion in Tanzania.
- **E3 Low Carbon Economy Fund (USD48.1 million close):** Kenya-based E3 Capital received backing from Swedfund and Proparco for funds investing in low-carbon entrepreneurs across East Africa.
- **Africa Conservation and Communities Tourism Fund (USD13 million IFC commitment, 2023):** Structured debt for ecotourism operators in Kenya, Tanzania, and Uganda.
- **Centum Real Estate / Two Rivers Development (Kenya, USD20 million IFC A-Loan, 2025):** Direct debt to a Kenyan developer for affordable housing in Nairobi.

Reading Between the Closes

This section contains analysis drawn exclusively from EAVCA's proprietary transaction database. Transaction-level detail is available to EAVCA members and licensed subscribers.

Every close announcement tells you what happened. This section tells you what it means. The findings below emerge from EAVCA's proprietary transaction database, 151 fund commitments tracked across 2023 to 2025, representing the most comprehensive picture of East African private capital fundraising activity compiled over this period.

The LP Power Map: Who Actually Writes the Cheques?

The most important structural fact in the dataset: African institutional investors appear in just 5 deals. European DFIs appear in the overwhelming majority. The disparity in participation, let alone capital volume, captures the ecosystem's most urgent structural challenge. For every USD1 committed by an African institution, European DFIs committed multiples more, a ratio that represents both the ecosystem's greatest dependency and its most compelling unrealised opportunity.

Within the DFI universe, IFC is the most active single LP by deal count, appearing in 26 single-name fund commitment records across 2023-2025. EIB, however, carries the highest disclosed value among single-name LP entries at USD1,209 million, reflecting larger average ticket sizes. IFC's disclosed range runs from USD4 million into early-stage seed funds to USD100 million in its largest single-name commitment in the dataset, meaning it simultaneously serves as an accessibility gateway for first-time managers and a quality anchor for large-cap vehicles. No other LP in the dataset plays both roles.

DFI Co-Investment: The Power of Consensus and the Cost of Concentration

Less discussed than DFI dependence is the degree to which DFIs invest together, not sequentially, but simultaneously, in the same fund, at the same close. The EAVCA dataset records 10 instances of fund closes where three or more DFIs appear as co-investors at a single close:

Adenia Capital V (2023):
8 DFIs co-investing, Bpifrance, DEG, DFC, EIB, FinDev Canada, FMO, IFC, Norfund, Proparco

BluePeak Private Capital Fund I (2023):
6 DFIs, AfDB, BII, EIB, DFC, FMO, Swedfund

Norrsken22 (2023):
4 DFIs, BII, IFC, DFC, alongside Standard Bank

XSML African Rivers Fund IV (2024):
5 DFIs, Norfund, Swedfund, BII, FMO, SIFEM, IFC

TLG Capital AGIF II (2025):
4 DFIs, IFC, Swedfund, Norfund, Bpifrance

This pattern reflects the strength of DFI coordination: shared due diligence frameworks, common impact standards, and long-standing institutional relationships that allow multiple institutions to move together with confidence. When one DFI commits to a manager, it creates a credible signal that meaningfully lowers the approval threshold for others. The result is efficient for the individual institution and reassuring for the GP.

The structural consequence, however, is that DFI capital tends to cluster around a small number of well-validated managers, reinforcing established GPs and, as a byproduct, raising the barrier for first-time and emerging fund managers who have not yet accumulated that institutional validation.

DATA POINT:

When eight DFIs co-invest in a single fund, the ecosystem gains a well-capitalised vehicle and loses an opportunity to validate eight different managers. The question the DFI community must consider is not whether coordination is valuable, it clearly is, but whether the current concentration of that coordination serves the ecosystem's long-term depth.

The Fundraising Calendar: When Deals Actually Close

Private capital fundraising in Africa follows a rhythmic annual pattern. Across all 151 commitments, March and May are the busiest months with 20 deals each, followed by November at 15 and April at 14. September is the quietest at 7 deals. H1 consistently outperforms H2: 87 deals in the first half versus 64 in the second, across all three years.

This pattern reflects a DFI administrative rhythm more than a fundraising strategy. LP investment committees, particularly at DFIs which operate on institutional calendar cycles, approve Africa fund commitments primarily in Q1 and Q2. GPs need to be in formal LP due diligence by Q4 of the prior year. A fund manager approaching LPs cold in March with a June first-close target is structurally one year behind. The December-to-February window looks quiet, but it is precisely the right time for relationship-building and document preparation. The conversation between a GP and a DFI typically begins 12 to 24 months before the public announcement of a close.

Fundraising Efficiency: Specialist Funds Close Faster

Where both a fund target and a first-close size are disclosed, the data reveals a consistent pattern in fundraising efficiency:

- **Incofin Water Access Acceleration Fund:**
  122% of target, oversubscribed above cap
- **Aruwa Capital Fund II (gender-lens, USD35 million target):**
  87.5% at first close
- **Saviu Ventures II:**
  86.7% at second close
- **Enko Capital private credit strategy:**
  66.7% of USD150 million target at first close
- **Apis Growth Markets Fund III (USD500 million target):**
  approximately 12% at first DFI commit
- **Amethis Fund III (EUR450 million target, generalist PE):**
  approximately 5% per individual LP commit

The pattern is consistent: smaller, thematically focused, gender-lens, or sector-specialist funds close faster relative to their targets than large generalist PE vehicles. A focused mandate with a defined LP base is not a constraint on fundraising. It is an accelerant.

What LPs Are Mandating

A systematic reading of all 151 fund descriptions reveals the impact language that LP requirements have made structurally mandatory. Frequency of mention across fund mandates:

- **Climate and energy transition:**
  51 of 151 deals (34%), the dominant single theme
- **Financial inclusion and fintech:**
  29 deals (19%), the second LP pillar
- **Healthcare:**
  21 deals (14%), growing rapidly as a standalone mandate
- **Food security and agribusiness:**
  20 deals (13%)
- **Gender and women's economic empowerment:**
  16 deals (11%), growing fastest particularly in 2025
- **Job creation:**
  14 deals (9%), increasingly required as an additionality metric
- **Blended finance structure:**
  12 deals (8%), the architecture enabling all of the above

For the majority of the 2023-2025 period, climate and financial inclusion mandates were effectively structural requirements for any fund seeking DFI capital, which in East Africa means the vast majority of funds. DFI side letter terms, ESG performance standards, and impact reporting requirements embedded these themes into the fundraising process regardless of a manager's stated preference. However, the LP landscape shifted materially in 2025. The regulatory and policy tailwinds that drove some institutional capital toward Africa's impact narrative have weakened, and the relationship between thematic alignment and fundraising success is less predictable than it was 24 months ago. East African managers still benefit from credible climate and financial inclusion frameworks, but these alone no longer guarantee LP appetite in the way they did at the start of the period.

Japan and Asia: The New LPs

One of the most underreported structural shifts in the dataset is the entry of Japanese and Asian institutional capital into African private markets. Five deals feature Asian institutions as LPs, representing USD703 million in disclosed capital, and virtually none of it has appeared in the mainstream African investment press:

2023

JICA, SBI Holdings, Sumitomo Mitsui Trust Bank, and Toyota Tsusho co-invested in the Verod-Kepple Africa Ventures Fund

2023

SBI Holdings separately committed USD40 million to Novastar Ventures

2024

Nissui Corporation (Japanese food and fisheries conglomerate) invested in Amethis Fund III

2025

SMBC committed USD50 million to EAAIF's capital raise alongside major European institutions

2025

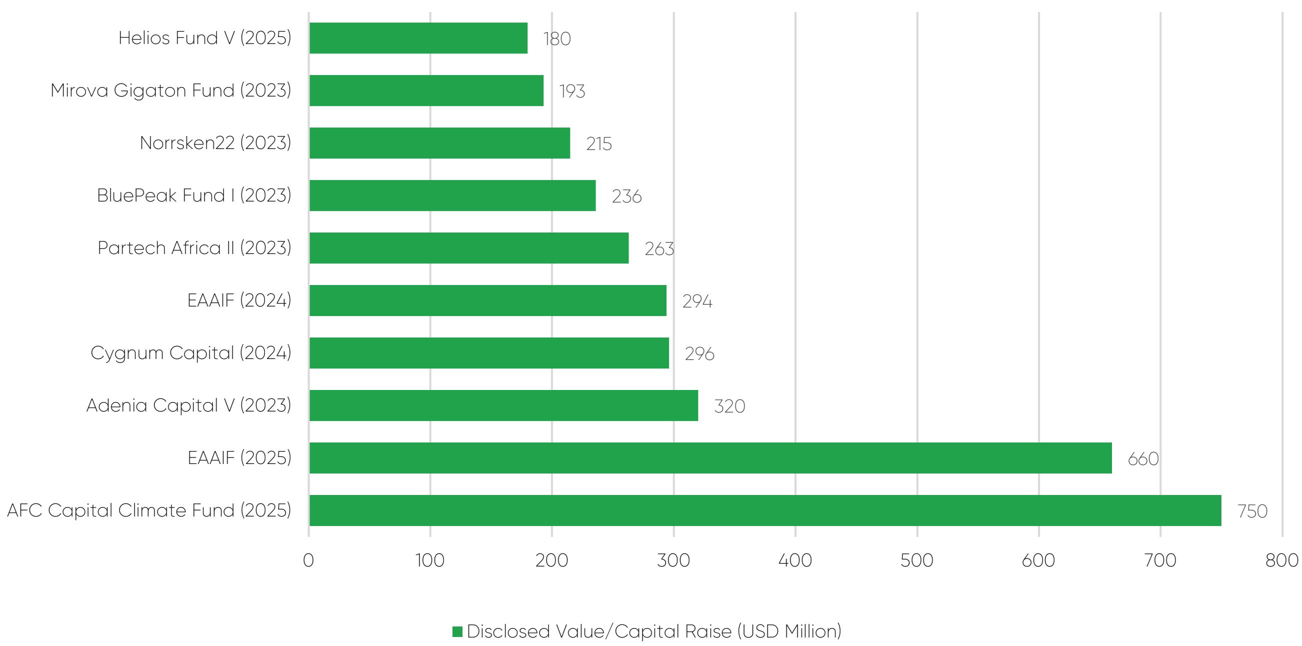
SMBC made an additional undisclosed commitment to Novastar Ventures Fund III

Unlike European DFIs, which arrive with development mandates and impact requirements, Japanese investors are primarily motivated by commercial returns, strategic resource access, and demographic diversification. Their engagement with East Africa-exposed funds is a leading indicator of future direct engagement with the region. EAVCA is actively engaging JICA, SMBC, and the broader Japan External Trade Organization network to position East Africa's fund managers as the primary access point for Japanese institutional capital currently entering Africa through pan-African vehicles.

Private Credit: The Asset Class Nobody Predicted

Private credit's trajectory is the clearest evidence of structural market evolution in the dataset. Deal count rose from 2 in 2023, to 1 in 2024, to 7 in 2025, with total disclosed value of USD561 million across the period. The names entering the space are institutional: BluePeak (USD156 million Fund I closing directly into a USD250 million Fund II), TLG Capital (USD75 million first close on AGIF II), Enko Capital (USD100 million first close from BII, IFC, and African pension funds), Lendable (USD50 million IFC senior loan), Ninety One (Africa Credit Opportunities Fund III), and Kessner Capital (new entrant, 2025).

Figure 7: Top 10 Largest Fund Closes by Disclosed Value (2023-2025)



Infrastructure dominates the largest closes; VC and PE operate at smaller scale

The opportunity private credit represents for East Africa is not incidental. It is structural. Africa's SME financing gap is estimated at USD330 billion, making it the largest documented financing deficit of any asset class on the continent. East Africa sits at the centre of that gap. The companies that need capital most, established SMEs with revenues between USD1 million and USD20 million, proven business models, and genuine growth potential, are precisely the companies that fall between the minimum ticket sizes of commercial banks and the entry thresholds of private equity. Private credit was designed for exactly this segment.

For local institutional investors, the asset class offers something equity cannot: predictable coupon payments, defined maturity dates, and seniority in the capital structure. These are characteristics that pension fund trustees can model against their liability profiles, present to their boards with actuarial support, and defend to their regulators with reference to established fixed income frameworks. The convergence of SME demand, institutional LP suitability, and a growing pool of dedicated managers makes private credit the most important new frontier in East African private capital.

The Local Capital Imperative: East African Institutional Investors

A defining development in East African private capital is the tentative entry of local institutional investors as limited partners. EAVCA views this as an important structural development needed to create a self-sustaining, locally anchored private capital ecosystem.

Why Local Capital Matters

The case for local LP participation is both structural and strategic. East African pension funds collectively manage an estimated USD30 billion or more in assets. Even a 3-5% allocation to private markets, in line with global institutional norms, would inject USD900 million to USD1.5 billion of incremental LP capital into the ecosystem annually. This would fundamentally change the supply-demand dynamics for fund managers currently dependent on DFI support to reach minimum fund sizes.

Local investors bring patience, local currency liabilities that can naturally match local currency investments, and an alignment of interest with portfolio companies operating in their home markets. Their participation also sends a signal to foreign LPs that the market has achieved domestic institutional credibility.

Current State of Local LP Participation

The EAVCA dataset records six instances of local institutional participation in the 2023-2025 period:

- **Central Bank of Kenya Pension Fund:**
  Appeared as an LP in AfricInvest's French Africa Fund II (2023), alongside BPIFrance, Proparco, and Sanlam. The first Kenyan pension fund LP commitment recorded in this dataset. A landmark.
- **ABSA:**
  Committed USD75 million in structured debt to EAAIF's 2025 capital raise, demonstrating that pan-African commercial banks can participate meaningfully in blended finance structures.
- **Standard Bank:**
  Committed USD50 million to EAAIF (2025) and USD100 million to EAIF (2024), the largest single African institutional commitment in the dataset.
- **Sanlam:**
  Appeared alongside the CBK Pension Fund and BPIFrance in AfricInvest's French Africa Fund II, one of the most diverse LP rosters in the dataset.
- **ZepRe (the PTA Reinsurance Company, Nairobi):**
  Appeared as a strategic LP anchor in FSD Africa's Inclusive Insurtech Investment Fund (3iF) in 2025, an East African institution taking a lead role in a continent-wide thematic fund.
- **SICOM Global Fund Ltd (Mauritius):**
  A key institutional LP in Enko Capital's private credit strategy (USD100 million first close, 2025), alongside African pension funds and family offices.
- **RSSB (Rwanda Social Security Board):**
  In April 2026, just beyond the dataset window but directly relevant to this report's thesis, RSSB anchored the first close of the USD100 million Rwanda SME Growth Fund, managed by Enko Capital, with a USD30 million commitment in local currency. The fund carries three regional firsts: the first pension fund-led vehicle dedicated exclusively to SME financing; the first permanent capital structure anchored by a pension fund; and the first pension fund to seed a dedicated Technical Assistance facility within a fund.

KEY INSIGHT: Two commitments bookend this report's local capital story. The CBK Pension Fund entered as an LP in 2023, the first signal. RSSB anchored an entire fund in 2026, in local currency, built around Rwandan SMEs, the proof of concept. The distance between those two moments, in ambition and in structure, is the distance East Africa's institutional capital has travelled in three years.

Regulatory and Market Infrastructure Gaps

Despite positive signals, significant barriers to scale local LP participation remain:

Kenya:

The Retirement Benefits Authority (RBA) allows up to 10% of pension assets in alternative investments, but practical uptake remains well below this ceiling due to a lack of local currency-denominated fund structures, limited track records of local managers, and trustee-level discomfort with illiquid assets.

Uganda:

The Uganda Retirement Benefits Regulatory Authority (URBRA) has taken early steps toward alternative investment guidelines, but the regulatory framework remains nascent.

Tanzania:

SSRA guidelines have been conservative, though reform discussions are ongoing.

Rwanda:

RSSB has moved from signalling to acting. In April 2026, RSSB anchored the first close of the USD100 million Rwanda SME Growth Fund, managed by Enko Capital, with a USD30 million commitment in local currency, carrying three regional firsts. The blueprint now exists. The question for 2027 is whether Kenya, Uganda, or Tanzania follows.

Across the region, the absence of robust secondary markets, a limited number of realised exit events, and a thin base of locally domiciled funds with audited track records compound the challenge.

What Needs to Change

The barriers to local institutional LP participation in East Africa are real but they are not permanent. They are the predictable result of a market that has not yet built the policy infrastructure, the product architecture, or the knowledge base that pension fund trustees need to allocate with confidence. Three specific interventions would do more than any other to accelerate the transition.

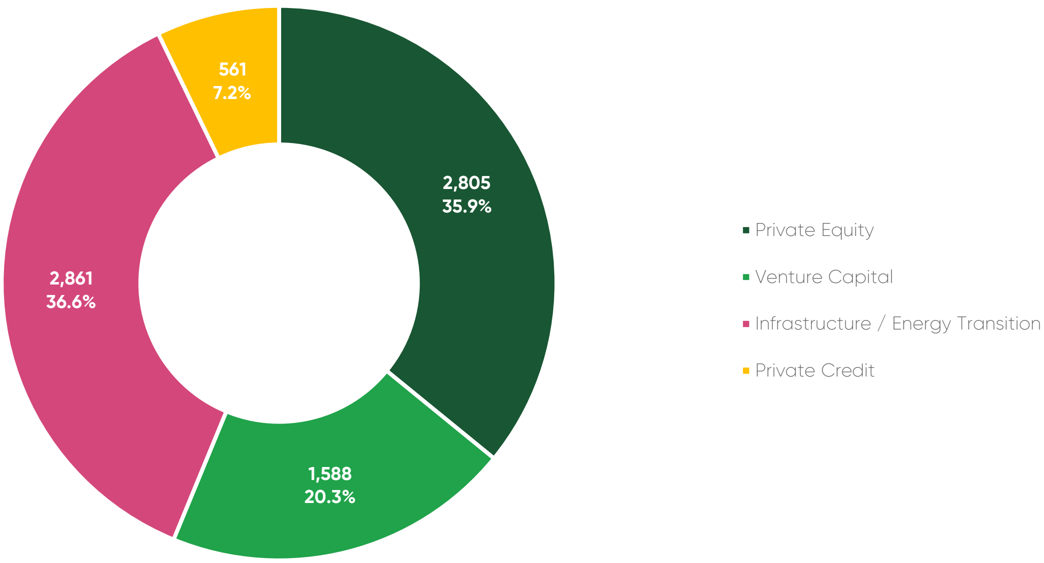
The first is trustee education. The discomfort most East African pension fund boards feel toward private markets is not primarily regulatory. It is knowledge-based. Trustees who have spent their careers evaluating listed equities, government bonds, and bank deposits do not have a ready framework for assessing illiquidity premiums, J-curves, or NAV-based valuations. This gap can be closed through structured education programmes for trustees and chief investment officers, peer learning exchanges with South African pension funds that have navigated the same transition, and direct exposure to fund managers operating in the region. A trustee who understands how private markets work is a trustee who can defend an allocation to their board.

The second is local currency fund structures. The absence of Kenya Shilling, Uganda Shilling, and Tanzanian Shilling denominated fund structures is one of the most consistently cited barriers in LP conversations across the region. Pension funds carry local currency liabilities. Taking on unhedged USD exposure in a private markets allocation is not a risk management choice most trustees can defend, regardless of how attractive the underlying returns are in dollar terms. The market needs fund managers willing to design and operate local currency feeder vehicles alongside their USD master funds, and development finance institutions willing to provide currency risk facilities that make those structures commercially viable.

The third is regulatory clarity. The RBA in Kenya, URBRA in Uganda, SSRA in Tanzania, and RSSB in Rwanda each operate frameworks that technically permit some form of alternative investment allocation. In practice, those frameworks provide insufficient guidance on how a trustee board should evaluate a specific fund structure, conduct due diligence on a GP without a local track record, or report a private markets holding to their regulator. The result is that even willing trustees default to inaction because the cost of getting it wrong, reputationally and professionally, exceeds the perceived benefit of getting it right. EAVCA's advocacy agenda includes working directly with each of these regulatory bodies to develop dedicated alternative investment guidelines that give trustees a clear, defensible decision-making framework.

Asset Classes

Figure 4. Disclosed Capital by Asset Class Theme, 2023-2025 (USD Million)



Based on primary fund mandate classification from EAVCA proprietary dataset

Venture Capital

The 2021-2022 venture capital boom gave way to a more disciplined environment in 2023-2025. The EAVCA dataset shows that fund-level VC fundraising held up in Africa, even as startup funding rounds contracted. The explanation: DFIs have developed dedicated venture programmes with streamlined processes; foundations have institutionalised GP relationships; and a new cohort of strategic LPs from Europe and Asia, Bertelsmann, JICA, SBI Holdings, Toyota Tsusho, Sumitomo, are building deliberate Africa VC programmes.

Fund sizes are crossing a structural threshold. At USD154 million and USD205 million respectively, TIDE Africa Fund II and Norrsken22 are now large enough for European pension funds and US endowments to write a policy-compliant cheque. Most large institutional investors have internal rules preventing any single commitment from exceeding 10% of a fund's total capital. For most of the past decade, Africa-focused VC funds were simply too small for these investors to enter on their own terms. That ceiling is now being breached.

East Africa is a core geography for virtually every pan-African VC fund in the dataset.

Thematic specialisation is deepening. Climate tech, insurtech, agri-tech, and gender-lens mandates are attracting specialist LP pools that did not exist five years ago.

Early-stage is well-served; Series B/C remains a gap. The dataset reveals a relative shortage of growth-stage VC capital in the USD5 million to USD20 million ticket range.

Private Equity

Pan-African PE fundraising in 2023-2025 was led by established managers: Adenia Partners (Fund V, USD300 million first close, 2023), Helios Investment Partners (Fund V, targeting USD750 million, multiple DFI closes in 2025), and Amethis Fund III (targeting EUR450 million). The dataset shows that GPs attracting the most LP diversity, Adenia with 8 DFIs, BluePeak with 6, are those with the deepest institutional relationships built over multiple fund generations. Sector trends within PE: financial services and fintech dominate; healthcare is growing; agri-business is anchored by DFI agricultural programmes; consumer and hospitality are emerging through Kasada Hospitality and the Helios Sports and Entertainment Group.

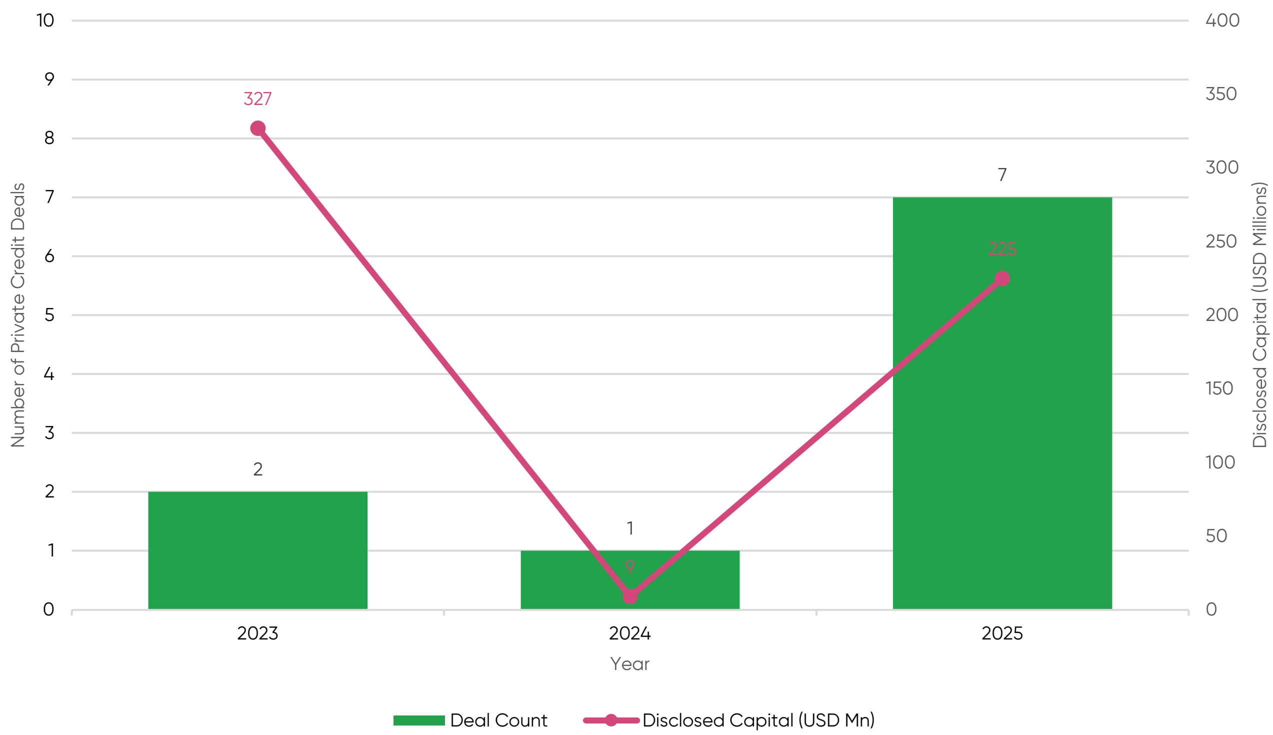
Private Credit

Private credit emerged as the standout structural development of 2023-2025 by deal count velocity. The dataset records USD561 million in disclosed private credit value across 10 rows, with activity broadening significantly in 2025. Multiple dedicated credit fund closes were recorded: BluePeak Fund I (USD156 million, 2023) directly followed by Fund II (USD250 million target), TLG Capital AGIF II (USD75 million first close, target USD200 million), Enko Capital (USD100 million first close, target USD150 million), Lendable (USD50 million IFC senior unsecured loan). Deal count more than tripled from 2024 to 2025.

For East Africa, private credit fills a critical gap. Kenyan, Ugandan, and Tanzanian SMEs face chronic working capital and growth financing shortfalls. Private credit managers offer 3 to 7 year tenors, covenant-light structures, and technical assistance, a product East African SMEs are willing to pay a premium for.

This trajectory is consistent with the broader continental picture. AVCA's recent reporting on African private capital documents the sustained growth of private debt as a distinct and fast-maturing asset class across Sub-Saharan Africa, with deal volumes and manager numbers both increasing year on year. AVCA highlights East Africa as a major regional market and African investors as a growing share of commitments. EAVCA's proprietary data for East Africa confirms and extends that finding: the region is not a passive participant in the continental private credit expansion but an active driver of it.

Figure 6. Rise of Private Credit as an Asset Class: Deal Count and Disclosed Capital (2023-2025)



Deal count more than tripled from 2024 to 2025

Infrastructure and Climate

Infrastructure and climate-linked funds accounted for the largest capital commitments. The two largest closes in 2025 alone, AFC Capital's USD750 million Climate Resilient Infrastructure Fund and EAAIF's USD660 million raise, together represent a scale of capital formation that equals or exceeds the entire 2024 disclosed total across all asset classes.

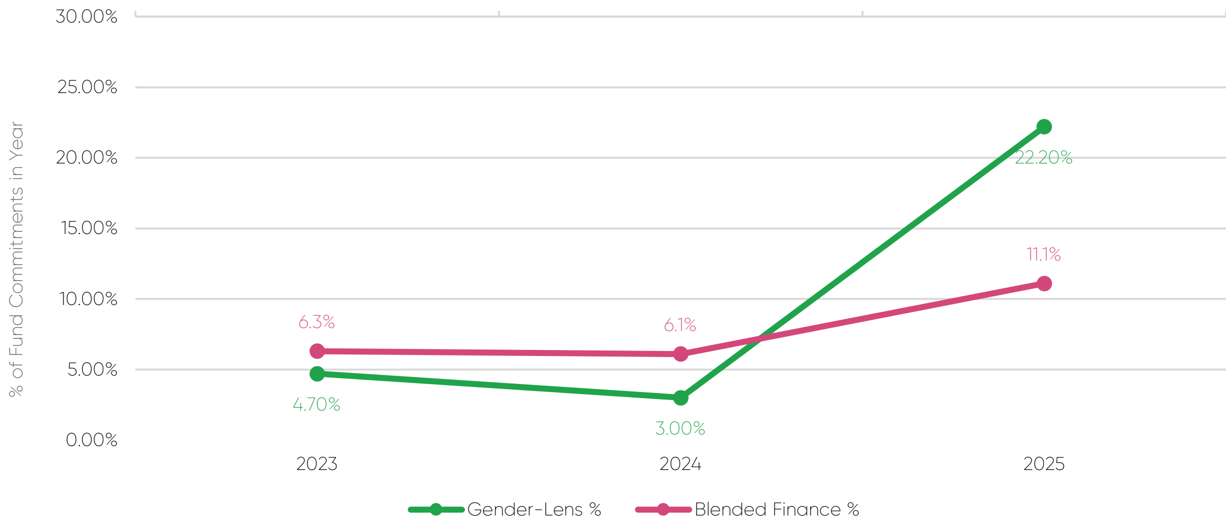
Infrastructure fundraising in this period is defined by three features. First, blended finance, the combination of concessional public capital with commercial private capital, has become the standard structural architecture for every significant infrastructure close. It is no longer a differentiator but a baseline requirement. Second, the energy transition dominates LP mandate language: renewable energy, mini-grids, clean cooking, and commercial solar are where the conviction and the capital are concentrated. Third, digital infrastructure, data centres, fibre networks, and telecom towers, is emerging as a distinct and fast-growing sub-sector, as fund managers recognise that Africa's digitalisation requires the same patient, long-duration capital that physical infrastructure has always attracted.

Defining Themes

Climate Finance as a Fundraising Catalyst

Climate-linked mandates are the single most powerful fundraising signal in African private capital. Funds with explicit climate mandates are attracting a broader and more commercially oriented LP base than comparable funds without. For East Africa, Kenya's geothermal advantage, Tanzania's hydropower potential, Rwanda's green growth ambitions, and Ethiopia's Grand Renaissance Dam create investment narratives that resonate with climate-mandated LPs in Europe and North America.

Figure 5. Growth of Gender-Lens and Blended Finance Mandates (% of annual deal count, 2023-2025)



Gender-lens mandates rose from 5% to 22% of annual deal count

Gender-Lens Investing

Gender-lens mandates surged from 3 deals in 2023 to 12 in 2025, the fastest-growing thematic requirement in the dataset. Aruwa Capital Fund II (USD35 million) and First Circle Capital (USD25 million target) both operate with explicit gender mandates backed by Mastercard Foundation, Visa Foundation, BII, and DFC. What began as a 2X Challenge DFI initiative has diffused into mainstream fund design.

The LP consensus on gender-lens investing fractured in 2025. Where US-linked capital has grown cautious, European DFIs have strengthened their commitments, creating a market where the capital is still flowing but the language is being recalibrated. "Gender lens" is quietly giving way to "overlooked founders" and "untapped markets." For East African fund managers, the practical implication is clear: the investment thesis remains valid, but the framing must now be calibrated to the LP in the room.

The Secondaries and Liquidity Question

As African private equity matures, exit pathways are moving from a background assumption to a foreground question in LP conversations. The fundraising narrative in this market has been, by necessity, overwhelmingly forward-looking. But the conversation is shifting. LPs who anchored the 2018 to 2022 vintage funds are now asking about distributions and valuations.

These are not insurmountable problems. They are the specific, addressable infrastructure gaps where the ecosystem's convening institutions have a role that no individual GP or LP can play alone. Three areas of intervention would do the most to move exit infrastructure from aspiration to reality.

The first is secondary market development. The most immediate and achievable exit mechanism available does not require a stock exchange, a strategic acquirer, or a public offering. It requires a functioning secondary market in which LP positions and GP-held assets can transfer at a disclosed price between willing counterparties. A single credible secondary transaction in East African private capital, at a published NAV multiple, would do more for the market's understanding of exit valuations than any number of unrealised mark-to-market updates. The market also needs more than a binary choice between trade sale and IPO. A more complete exit architecture would include GP-led and LP-led secondaries, continuation vehicles where appropriate, partial sell-downs, and refinancing or recapitalisation transactions.

The second is cross-border transaction development. East Africa's exit market is constrained not only by the thinness of the domestic strategic acquirer base but by the underutilisation of regional and pan-African buyers. Regional corporate groups, family business conglomerates expanding across borders, sovereign-linked entities with strategic acquisition mandates, and pan-African private equity funds seeking to consolidate fragmented sector leaders are all potential acquirers for the current generation of East African portfolio companies.

The third is broadening the definition of a viable exit. The ecosystem has anchored its exit expectations around two mechanisms, public market listings and strategic trade sales, that are either underdeveloped or inconsistent as exit venues. A more mature exit infrastructure would also include management buyouts, structured buyouts by successor funds, and private placement exits to local institutional investors. Each mechanism requires better transaction data, standardised financial reporting, reliable legal and tax treatment across borders, and a stronger buyer universe. AVCA's 2024 report noted a material increase in African exit activity and a rising role for secondaries, which supports making liquidity a central policy and market-development theme rather than an end-of-report afterthought.

The Manager Development Imperative

LP conversations across the Africa investment ecosystem consistently identify a demand for more capital, but also more high-quality fund managers. EAVCA data reflects concentration of LP commitments among a small number of established managers, Helios, Partech, TLcom, Amethis, Adenia, Novastar, AfricInvest, with a long tail of smaller managers struggling to attract institutional capital.

The 2023-2025 period saw a cohort of East African emerging managers receive their first institutional DFI commitments, a critical validation milestone that opens the door to subsequent raises and broader LP engagement. This pipeline of first-time managers is an important indicator of the ecosystem's long-term health. Depth of manager base, not just scale of individual funds, is what distinguishes a maturing market from a concentrated one.

Deal Flow, Concentration and the Return Question

Capital flowing into a market and capital finding differentiated opportunity within it are two different things. The preceding sections of this report document the first. This section examines the second. The structural features of East African private capital, concentrated LP relationships, shared DFI validation networks, a limited pool of visible success stories, create conditions in which multiple fund managers, each operating in good faith, can arrive at the same companies, the same valuations, and ultimately the same return constraints.

Portfolio Concentration

IFC alone appears in 26 single-name fund commitment records between 2023 and 2025. EIB appears in 17. These two institutions collectively participated in the LP registers of virtually every significant fund close in the dataset. When the same LP relationships underpin the majority of a market's fund managers, those managers inevitably share networks, attend the same events, and receive similar market intelligence through their common institutional connections. LP concentration at the top produces GP convergence at the portfolio level below.

The dataset shows that deal flow appears concentrated around a small set of established platforms, infrastructure vehicles, pan-African managers, and large DFI-backed transactions. The top five fund managers by disclosed value represent 33% of the total, and the top ten represent 49%. A manager may have strong access to the visible pipeline while still having limited exposure to the less intermediated parts of the economy, including smaller local businesses, secondary cities, and sectors outside the standard DFI thematic set.

When multiple DFI-backed VC funds are simultaneously circling the same cohort of Series A and B companies in Nairobi's technology ecosystem, the competitive dynamic is one of reconfirmation rather than discovery. GPs are not finding companies that others have missed. They are finding the same companies, validating one another's conviction, and collectively driving valuations upward in a market where the exit pool is too thin to support those valuations.

EAVCA's data points to a pattern worth examining. Certain company names appear repeatedly across public fund disclosures from managers with different asset class mandates, different geographies, and different LP bases. The same proof points are being used to validate different theses simultaneously. This is not evidence of wrongdoing. It is evidence of a market where the base of publicly visible, institutionally validated success stories is narrower than the volume of capital being raised against it would suggest.

THE PATTERN:

When the same handful of companies serve as proof points across the materials of GPs spanning venture capital, private equity, and private credit, it raises a question worth asking openly: how deep is the success story base that the African investment thesis currently rests on? What matters is whether the next generation of those companies is being found, or whether the same names will still be doing that work in five years.

The Market Knowledge Gap

East African fund managers face a challenge that is both structural and reputational: proving that being on the ground translates into genuine market advantage. The implicit claim of any Africa-focused GP is that proximity creates proprietary deal flow, relationships, referrals, and market intelligence that an LP operating at a distance from the market cannot replicate without them.

The fundraising patterns in this dataset suggest that claim remains unproven. Four observations support that reading.

First, on deal flow: in the majority of fund commitments in the dataset, investment mandates are shaped as much by LP requirements, sectoral focus, gender lens, climate mandate, as by GP-identified market opportunity. GPs are frequently responding to LP specifications rather than leading with proprietary insight about where the opportunity lies.

Second, on conviction: the prevalence of four to eight DFI co-investors in a single fund suggests that GPs are seeking collective institutional validation as a complement to, rather than a product of, their own market conviction. The depth of local intelligence a GP holds should reduce the number of validators needed to proceed, not increase it.

Third, on geography: GPs routinely claim pan-East Africa mandates but concentrate activity in the two or three markets where LP due diligence infrastructure already exists. The deeper geographies named in their own mandate language remain largely untouched.

Fourth, on narrative: the same company names appear across fund disclosures from multiple GPs across multiple years. The market's proof points are shared vocabulary, not proprietary evidence of any individual manager's market edge.

None of this is a criticism of individual GPs. It is a structural observation about a market where concentrated LP capital, shared information networks, and limited exit precedents create conditions that reward convergence over differentiation. Understanding that dynamic is the first step toward changing it.

The Returns Loop

The market knowledge gap matters because it has a direct consequence for returns, and therefore for the long-term credibility of East Africa as an investable destination.

When GPs lack genuinely differentiated deal flow, they compete for the same companies. Competition among buyers in a thin market drives entry valuations upward, particularly where comparable transactions are scarce and pricing benchmarks are shaped by LP expectations rather than arms-length market evidence.

Inflated entry valuations, combined with shallow exit markets, compress the return multiple available at exit. Public equity markets in the region remain an underdeveloped exit venue for private capital-backed companies. Strategic acquirer depth is limited. The gap between what a company was valued at entry and what the market will pay at exit is, in too many cases, wider than the return model assumed.

The return question should therefore be framed carefully. A large pipeline, strong development additionality, or repeated DFI backing does not by itself demonstrate attractive net returns. The market must distinguish between fundraising momentum, deployment, realised exits, unrealised value creation, and net performance after fees, carry, currency effects, and write-offs. Concentration also matters at the portfolio level: a fund may appear diversified by number of investments while remaining exposed to the same country, currency, macro factor, sponsor network, or exit buyer.

Compressed exit multiples make it difficult for fund managers to demonstrate DPI, meaning Distributions to Paid-In Capital, the metric that shows LPs actual cash returned rather than paper gains. DFIs, operating under increasing pressure from their own governance frameworks to show realised rather than paper returns, require credible DPI evidence before committing to a successor fund.

Without strong DPI track records, LP capital gravitates toward the small cohort of established managers with enough vintage history to show partial realisation. Capital concentrates further. The emerging manager base is starved of the institutional validation it needs to grow. And the cycle tightens. The result is a market growing in capital raised but not yet generating the realised return evidence needed to become self-sustaining.

The exits are coming. The multiples will be proven. The question this report puts to the ecosystem is not whether those things will happen, but whether the structural conditions, the manager diversity, the exit infrastructure, the local capital base, are being built quickly enough to meet them. What the next phase requires is the realised return evidence that converts a compelling thesis into a proven market.

The Next Phase

The structural conditions described in this section are not permanent features of East Africa's private capital market. Manager diversity, exit infrastructure, local capital mobilisation, and the transparency that turns a compelling track record into institutional credibility, these are the pressure points EAVCA's advocacy agenda is built around, and the Association exists precisely to move these conversations from observation to action.

This analysis is not published as a counsel of caution. It is published as a call to action, directed at every GP, LP, DFI, regulator, and local institution whose capital, mandate, or influence touches this market. East Africa's private capital ecosystem has earned the right to be proven. The work of proving it is collective. And it starts with the honesty this section has attempted.

Outlook 2026-2028

The structural dynamics named in the preceding section are the conditions the market is working within today. This section looks at where the market is going, and the specific developments that will define East African private capital through 2028. The question is not whether the momentum of 2023-2025 continues. It is whether the structural foundations being built alongside that momentum are deep enough to make it self-sustaining.

Three Scenarios

Base case:

Global interest rates stabilise above their 2010-2020 averages but the worst of the tightening cycle is behind us. DFI budgets remain committed across the major bilateral and multilateral institutions. Commercial LP allocation to Africa recovers gradually, led by climate-mandated European institutional investors responding to net-zero portfolio requirements. East Africa continues to attract the majority of pan-African fund capital. Private credit deal count surpasses private equity by 2027, reflecting the structural SME financing gap that dedicated credit managers are uniquely positioned to fill.

Upside case:

Interest rate reductions from 2025 onward trigger a meaningful rebound in emerging market risk appetite, bringing commercial LPs back to Africa-focused funds at scale. At least two high-profile East Africa private equity exits generate credible DPI evidence, shifting the LP conversation from thesis to proof. Two or more East African pension funds launch formal private markets programmes with committed allocations. KIFC accelerates its competition with Mauritius as the preferred fund domicile for East Africa-focused vehicles, supported by regulatory improvements and pan-African institutional appetite for local registration.

Downside case:

Regional political instability in one or more key markets dampens DFI risk appetite and delays fund closes already in progress. Currency volatility in Kenya or Ethiopia triggers mark-to-market pressure on USD-denominated funds with local currency revenue portfolios. Budget pressures among European bilateral institutions slow deployment from BII, EIB, and Proparco. The portfolio concentration dynamics described in the preceding section become visible to a wider LP audience, prompting re-evaluation of Africa VC vintage performance across the 2018-2022 cohort.

Five Calls for 2026-2028

First, build the local capital bridge. Create trustee education programmes, local currency fund structures, and clearer regulatory pathways so pension and insurance capital can enter private markets through diversified, appropriately governed vehicles. Rwanda's RSSB has shown it is possible. The blueprint exists. The policy work is what makes it replicable across the region.

Second, make private credit investable at scale. Develop transparent, risk-rated, and currency-aware private credit products aimed at the SME and mid-market financing gap, with bank and DFI partnerships where useful. Private credit is the asset class most suited to local institutional LP participation and the one where East Africa's structural advantage, scale of SME demand, depth of financing gap, and growing manager base, is most pronounced. AVCA's continental data and EAVCA's regional dataset together confirm this is the defining asset class shift of the next five years.

Third, broaden the pipeline. Measure GP sourcing beyond the most visible markets and networks, with explicit attention to secondary cities, locally owned businesses, and underserved sectors outside the standard DFI thematic set. A manager with strong access to the visible pipeline may still have limited exposure to the less intermediated parts of the economy where the most differentiated returns are available.

Fourth, make returns more testable. Improve reporting on gross and net performance, realised and unrealised value, write-offs, currency impacts, and benchmark selection. Better disclosure, stronger benchmarking, and more transparent exit evidence are not just good practice. They are the conditions under which commercial LPs, pension funds, and insurance companies can allocate with confidence rather than faith.

Fifth, build the exit market. Support secondaries, cross-border transactions, continuation structures, management buyouts, and other liquidity pathways through better data, legal certainty, standardised financial reporting, and transaction advisory capacity. One credible secondary transaction in East African private capital, at a disclosed price, changes the conversation about exit infrastructure permanently.

The five calls above are not aspirations. They are the specific, near-term developments that will determine whether the narrative of East African private capital shifts from promising to proven. The data will either confirm them or challenge them. Either way, the market will be better for having named them.

About EAVCA and Data Methodology

About EAVCA

The East African Venture Capital Association (EAVCA) is the industry body for private equity, venture capital, and private credit in East Africa. EAVCA's mission is to build a vibrant, transparent, and professionally managed private capital industry across Kenya, Uganda, Tanzania, Rwanda, Ethiopia, the Democratic Republic of Congo, and the broader East African Community.

EAVCA serves fund managers, institutional investors, development finance institutions, corporates, and ecosystem enablers through advocacy, research, capacity building, and convening. EAVCA's members collectively manage over 3 billion dollars in assets across the region.

Data Methodology

The transaction data underlying this publication was collected by the EAVCA research team through ongoing monitoring of public disclosures, press releases, DFI investment board documentation, regulatory filings, and industry publications between January 2023 and December 2025. The cleaned dataset contains 150 transaction-level records with USD6,936 million of disclosed value. Exact duplicate rows were removed. Rows with different LP names or commitment amounts were retained even where the narrative describes the same fund close, because those rows represent distinct LP flows. Missing values remain missing and are excluded from value aggregation. Values disclosed in EUR have been converted to USD at indicative rates prevailing at the time of announcement.

The dataset is not a complete census of East African private capital. Several transactions are Africa-wide or involve managers investing across multiple African markets. Values represent disclosed transaction or fund-close amounts, not a measure of capital actually deployed in East Africa.

Granular transaction-level data, including individual LP commitment sizes, fund target sizes, investment timelines, and portfolio company-level information where available, is maintained in EAVCA's proprietary database. Access is available exclusively to EAVCA full members and licensed data subscribers. Enquiries regarding data access should be directed to the EAVCA team.

The analysis in this report reflects the dataset as constituted at the time of publication. It is intended to inform and provoke discussion, not to constitute investment advice or an endorsement of any fund manager, institution, or investment vehicle referenced herein. EAVCA welcomes corrections, additions, and engagement from any institution whose activity may not be fully captured in the dataset.

Transaction-level data available exclusively to EAVCA members.

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