

## **New impact investment fund for high-potential small businesses in rural Africa**

- New fund is the first to bridge the financing gap for small businesses in sub-Saharan Africa (SSA) with a gender lens, while generating a financial return for investors
- It will help improve the lives of 500,000 rural households and create more than 3,500 jobs - at least 60% for women
- Two key impact investment areas: agriculture (40% of GDP in SSA) and off-grid solar energy (600 million people lack access to electricity)

**London: 22 August, 2019:** Global consultancy [Palladium](#) has announced its first impact investment fund to bridge the financing gap for small businesses in sub-Saharan Africa.

The “Palladium Impact Fund I” is expected to raise USD 40 million to provide much-needed capital for SMEs in emerging markets. The fund, which will focus on agribusiness value chains and off-grid clean energy in Nigeria, Ghana and Kenya, aims to alleviate poverty and economically empower over 500,000 rural households. It intends to create at least 3,500 full-time jobs, of which 60 per cent will be for women.

Investors will include foundations, family offices, pension funds, and institutional investors. Palladium will manage the fund, anchored by a \$5 million investment of its own capital. The new fund will make debt and mezzanine investments of between \$250,000 and \$2 million into small companies.

**Andrew Tillery, Head of Impact Investments at Palladium, said:** “Fifty-four years of experience has taught Palladium that for an investment to have impact, it has to be sustainable, which means it needs to generate a financial return. For this first fund, we’ve chosen to invest in empowering African women, as women perform the majority of agricultural activities, own a third of all firms and are key to the welfare of their families. Gender equality and empowerment in the region can raise productive potential and boost the continent’s development.”

Palladium has already made two direct impact investments, including in [Naasakle](#), a mother and daughter-owned shea nut harvesting and processing business in Ghana, and [PEG Africa](#), an off-grid solar energy project. Palladium has a further 10 investments under due diligence.

Mr Tillery added: “Solar and clean energy technology is hugely important particularly in rural Africa as it provides vital electricity to households. The social benefits are significant: for instance, 24-hour lighting enables more effective infant care and in turn can lower the infant mortality rate. It’s also the catalyst for the development of small, growing businesses as the working day is longer and more productive. Clean energy can power enabling technology, such as irrigation for farmers, to mitigate many of the risks associated with primary production like adverse weather conditions.”

**Christopher Hirst, CEO of [Palladium](#), said:** “After three years investing our own capital, we feel now is the right moment to raise our first Impact Investment fund and begin to channel others’ capital to deliver impact. We’re ideally placed to use our extensive international development work and global reach to source ideas for potential, credible investment opportunities. Our relationships with USAID, DFID, DFAT, governments and private sector clients are directly relevant as we seek to ultimately bridge the gap between aid and impact investing, with Palladium as the intermediary.”

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**Notes to Editor:**

For Media enquiries and a high-resolution image, please contact:

Guy Smith or Dafydd Rees at Newgate Communications at [guy.smith@newgatecomms.com](mailto:guy.smith@newgatecomms.com) or [dafydd.rees@newgatecomms.com](mailto:dafydd.rees@newgatecomms.com) or +44203757 6841

**Facts:**

- Experience: Palladium has spent the past 54 years implementing large-scale social change programs across the globe. We know what it takes to create real impact, and every investment we make benefits from that experience.
- Financial Commitment: Palladium anchors the Impact Fund with a \$5 million equity investment from our own capital base.
- Value: Our management fees are competitive at 2%.
- Pipeline: Alongside two existing direct investments, our experienced Impact Investments team has a dozen opportunities under due diligence and has sourced over 400 deals.
- Local Network: Our Africa-based consultants provide investment leads, local knowledge, and access to country networks and expertise.
- Measurement & Evaluation: Our expertise in impact measurement comes from decades spent implementing and evaluating programs for the world's largest bilateral donors, for whom efficiency, effectiveness, and value for money are paramount.

**About Palladium**

Palladium is a global impact firm, working to link social progress and commercial growth. For the past 54 years, we've been helping our clients to see the world as interconnected – by creating strategies, building partnerships, and implementing programs that have a lasting social and financial impact. We simply call this "Positive Impact".

We work with corporations, governments, investors, communities, and civil society. With a global network operating in over 90 countries, Palladium is in the business of making the world a better place. [www.thepalladiumgroup.com](http://www.thepalladiumgroup.com)