



## Investing for a **better tomorrow**



# What does a better tomorrow look like?

## About us

British International Investment is the UK's development finance institution. Our mission is to help solve the biggest global development challenges by investing patient, flexible capital to support private-sector growth and innovation.

We are a champion of the UN's Sustainable Development Goals (SDGs) – the global blueprint for achieving a better and more sustainable future for us all.

Under our current strategy, we have three strategic objectives – to invest in productive, sustainable and inclusive development. We're also a proud part of the UK's offer to support countries with developing and emerging economies to foster long-term economic transformation, and enable people to build better lives for themselves and their communities.



## Productive

Productive economies which can support higher incomes and a decent standard of living for all.

 [Learn more on page 14](#)



## Sustainable

Addressing the climate emergency by helping economies to reduce greenhouse gas emissions, protect the environment, increase climate resilience, and contribute to a greener, cleaner planet.

 [Learn more on page 23](#)



## Inclusive

An inclusive society where the benefits of higher productivity and greater sustainability are shared with the poorer and more marginalised sections of society.

 [Learn more on page 29](#)



# What's inside this report?



<b>Overview</b>	
A message from our Chair	4
A message from our CEO	5
2022 at a glance	8
Overview of our new investments	9
Overview of our financial performance	10
Overview of our impact	11
<b>Our impact</b>	
Productive investment	14
Sustainable investment	23
Inclusive investment	29
Going deeper on impact	35
– Responsible investing	36
– Catalytic capital	38
– BII Plus	39
<b>This year's new investments</b>	
Our 2022 commitments	42
A selection of our commitments	44

## Essential reading



**A message from our CEO**  
pages 5–7



**Overview of our new investments**  
page 9



**Overview of our financial performance**  
page 10



**Our impact**  
pages 13–40



# A message from our Chair

**Diana Layfield**



**2022 marked the first year of our five-year strategy, and it was the first full year of my role as Chair of British International Investment.**

I am pleased to see the progress we have made in delivering on the commitments we set out in our strategy. In this Annual Review, you will read about what we have achieved so far – and what we have learned – in investing for productive, sustainable and inclusive development. In particular, I am proud to see the enormous strides we have made as a leading climate investor in

Africa and Asia, and the increase in climate finance we have been able to invest this year.

We have, of course, been acting on these commitments through very difficult economic circumstances as well as geopolitical uncertainty, something we didn't envisage a year ago. This has meant that, as a Board, we have needed to think carefully about our responsibilities as a steward of the organisation, how we respond to the challenges that the macroeconomic and geopolitical situation is creating in our markets, and how we continue to meet the priorities we set for the strategy period. While our investment ambition over the strategy period has remained unchanged, we continue to respond responsibly to the global environment.

It was also our first year operating with a new name, as British International Investment. This identity has placed us at the centre of the UK's international financing offer, and I am pleased that our activities over the past year have demonstrated the closeness of our partnership with the UK Government.

This has included working closely with the UK Government in the countries where we invest. One example has been the opening of a new office in Singapore, to help us provide climate finance in the Indo-Pacific region. We did this in close collaboration with the UK Government, and we have been grateful for its assistance in providing its knowledge, experience and access to its networks in the region. As this Annual Review goes to print, we have also been working closely with the UK Government on the role that we can play in bringing private sector expertise to support reconstruction in Ukraine.

We are also pleased to have had many opportunities throughout the year to show UK Government representatives – including ministers, ambassadors and high commissioners – the impact the companies

we invest in are having in their respective countries. We continue to discuss the ways we can, through partnership and collaboration, have the most impact in the regions where we invest.

We also set out in our five-year strategy that we would build partnerships with British businesses that operate in our markets. We are working to find more opportunities to partner with companies that can bring the best of British expertise to unlock impact at scale in Africa and Asia. In 2022, we were pleased to see Safaricom Ethiopia switching on its mobile telecommunications network and services in Addis Ababa, providing vital and affordable telecommunications services. Our partnership in that consortium included working with leading British company, Vodafone, and it is this sort of partnership we want to replicate.

I am grateful for the dedication, passion and commitment of the variety of stakeholders who take an interest in our work and hold us to account. We value their feedback and welcome the opportunity to engage with scrutiny of our performance, which is crucial both for ensuring we remain accountable and for helping guide us to better solutions. Towards the end of the year, the International Development Committee launched an inquiry on the UK's strategy towards development finance institutions (DFIs). We have been pleased to engage with that inquiry, including hosting members of the committee to visit some of our investments in Nepal. As I write, the inquiry is ongoing, and we look forward to continuing to engage with the committee.

Many people have contributed to our achievements over the last year, and we are aware that this would not have been possible without the help of others. First, we have benefitted from the support and partnership of our shareholder, the Foreign, Commonwealth and Development Office (FCDO), both in the UK and in the countries where we invest.

Second, I would like to thank my fellow Board members for their unwavering commitment and support over the last year. Michele Giddens stepped down as a non-executive director, and I thank her for her valued contribution and commitment over the past seven years. I am also pleased to welcome Simon Rowlands, who I know will be a great addition to the Board.

I would also like to thank the members of our investment committees. They scrutinise every investment decision we make, to ensure we're injecting patient, long-term capital into businesses that have the potential to achieve sustainable growth while making a positive environmental, social and economic impact. Our investment committees include external professionals with independent expertise, and we were pleased to build on this expertise by welcoming new members over the last year. This includes new members from our markets, who bring a vital regional perspective.

Finally, I would like to thank all the staff at British International Investment for their hard work, diligence and commitment over the last year. Each person is an important part of helping us achieve our mission of providing long-term, patient capital to help solve the world's biggest development problems and build a better tomorrow.

*Diana Layfield*

*Chair*



# A message from our CEO

**Nick O'Donohoe**



**2022 new impact-led commitments**

**£1.27 billion**

**Like many CEOs, as I sat down to write this statement, I found myself reflecting on a very difficult global environment in 2022. It was a complex year, which brought with it not just one, but a series of challenges. These ranged from an increase in violent conflict, to the continued fall-out from the COVID-19 pandemic. And from more frequent and more extreme weather events, to the risk of a second global recession in recent times.**

Of course, from these macro issues fall consequences that have made a real impact on people's lives. From large problems with inflation to issues with supply chains, they have made life very difficult both for businesses and households, as well as hampered the growth needed to improve people's lives.

As CEO, there are two challenges this global context has made me consider during the year. The first is the question of how we remain a responsible steward of a 75-year-old organisation through this difficult period, to ensure the institution endures for the long term and safeguards future impact.

The second is how, against this backdrop, we continue to achieve the greatest impact we can with the investments we make. While the global economic and political context affects the work we do, as we enter our 75th anniversary year in 2023, our mission remains steadfast: to provide vital investment to countries most in need of long-term, patient capital to grow and prosper.

### **Safeguarding future impact**

To start with the first question of how we endure for the long term. The macroeconomic headwinds, and particularly the significant depreciation of sterling, caused a reduction in the amount of capital we had available to make new investments. However, despite this, in 2022, we still made £1.27 billion (\$1.56 billion) of new, impact-led commitments, a significant amount of capital going into our markets at a difficult time.

That takes me to my second question – how we can continue to achieve the greatest impact from our investments, given the global context.

### **Backing the portfolio to achieve even greater impact**

Our first response has been to focus on the businesses we've already identified as having high impact potential: our existing portfolio. We made several follow-on investments in 2022, backing them to go even further in having a positive impact on people and planet. We also sharpened our focus on ensuring our existing portfolio can achieve its impact objectives, supporting businesses in reaching key milestones.

Last year, I had the opportunity to visit several of the countries where we invest, to see this impact. Many of the countries I visited are finding the extended period of economic instability extremely difficult, and some are suffering from conflict. All are suffering the effects of high energy and food prices. But it was a timely reminder that, even with this backdrop, examples of resilience, entrepreneurship and partnership can prevail. I had the opportunity to see the transformational impact of one of our investees, WorldLink, an internet service provider in Nepal, a country where affordable broadband has reached just a quarter of households. WorldLink is expanding internet access across remote and rural parts of the country and, having first invested in the company in 2019, we made a follow-on investment last year.

We visited a community about three hours outside of Kathmandu, in one of the valleys off the Kathmandu Valley. It's a district where WorldLink has recently introduced high-speed internet access. My visits to the local health centre, to the school, and to women who are running small businesses, all showed how the advent of high-speed internet access has revolutionised their lives. And the company would not have been able

to do that if BII had not been prepared to provide equity capital to help them to grow. That's the sort of difference our work makes.

More recently, I went to Pakistan and visited Kashf Foundation, a microfinance institution that lends money to women entrepreneurs. We met a group of 30 women running small businesses in their homes to create additional income. They could not have done that without the loans they were receiving from Kashf, and the financing BII provided Kashf has been instrumental in making those loans happen.

Another highlight in our portfolio was the important milestone of Safaricom Ethiopia switching on its mobile telecommunications network and services in Addis Ababa. We partnered with Safaricom, Vodafone, Vodacom and Sumitomo as part of an international consortium, and in 2021 won the award to run the mobile-network licence in Ethiopia. The launch of Safaricom Ethiopia will achieve development impact at a country-wide level, and it will transform the economic prospects for millions of Ethiopians. It's also making a difference by providing jobs to the people who are helping build the company in Ethiopia. I visited the Safaricom Ethiopia headquarters and met some of the employees – mostly young Ethiopians – who now have the opportunity to work in this high-tech, highly skilled environment.

These examples all demonstrate the difference BII makes. Development finance institutions are unique in being prepared to make this kind of capital available, to allow companies to grow and, in turn, to have a positive impact on people's lives – bringing employment, services and opportunity.

*Continued overleaf*

A message from our CEO continued



Each year, there are also a number of companies that have achieved impact and are now in a position for us to exit, so we can recycle returns into new investments. For example, this year we exited Equitas Holdings, a small business-focused bank in India, which was one of our earliest direct equity investments in 2013 when we returned to direct investing. Since that time, we've supported the business in making the complex transition from a microfinance institution to a small finance bank, and in diversifying its product base to improve financial inclusion for low-income populations. The company has seen impressive growth, from 1.3 million customers and 3,400 employees to 5.6 million customers and over 17,000 employees. It's a business that's grown to be both commercially scalable and impact-focused, demonstrating how the two can go hand in hand.

### Continuing to invest in ways others don't

Our second response to maximising impact has been a continued focus on the need to be innovative by investing in places – and in ways – that others don't. As an investor, we always seek to be additional to the market. And when successful, cutting-edge investing can, within a few years, become mainstream, so it's important we continue to adapt and evolve.

2022 was the first year of a five-year strategy period – and that strategy is helping us to embrace being innovative in the way we invest, guided by the principles of investing for productive, sustainable and inclusive development. I'm proud of the new investments we've made in our commitment to these themes. Some investments highlight all three, such as our investment in AgDevCo, a specialist early-stage investor in African agribusinesses. AgDevCo's activities will provide jobs and improve economic opportunities; at the same time, they'll also promote climate-smart agricultural practices, as well as promote gender equality.

I've been particularly proud of our work in climate finance over the year, where we've invested £591 million, which represents 46 per cent of our annual commitments, demonstrating our role as a leading climate investor in Africa and Asia. Those investments have included backing Scatec's South African renewable energy technology project, which is the first sizeable battery energy storage and photovoltaic solar project in the country, and will provide clean power to the grid.

They also include innovative green finance, such as our partnership with Symbiotics to launch the first-ever 'green basket bond' across Africa and Asia. This will finance small-scale green projects and businesses, funded through local micro, small

2022 investment in climate finance

**£591 million**

which represents

**46%**

of all annual commitments

and medium enterprise banks. Beyond green infrastructure and finance, we've also invested in climate finance in broader sectors such as agribusiness, like our investment in Akshayakalpa, a dairy company in India. This will introduce more sustainably-farmed products to more consumers in India.

We made huge leaps forward in our support for venture capital – an important part of our five-year strategy – investing more in earlier-stage, disruptive businesses that offer radical solutions to development challenges. Over the year, almost a third of our new commitments by number were to support these early-stage businesses. These have ranged from a business providing farm financing for smallholder farmers in Africa, to a financial technology company providing digital financial services to underserved consumers and micro-entrepreneurs across Nigeria.

Continued overleaf



*2022 was the first year of a five-year strategy period – and that strategy is helping us to lean into being innovative in the way we invest, guided by the principles of investing for productive, sustainable and inclusive development.*

A message from our CEO continued

We've made progress in new areas of the strategy too. We re-entered the Caribbean after 20 years, with an investment in a fund that will back high-growth SMEs that have the potential to create jobs and economic opportunities for people across the region. We also opened a new office in Singapore, to help us provide climate finance in the Indo-Pacific region. We know our capital can have most impact in the region by helping economies reduce emissions, protect the environment and adapt to the changing climate.

Finally, we've also been innovative with the new tools we've introduced to help us with our strategy. One is our Impact Score, a new system to help refine our investment choices and maximise impact across our portfolio. It's showing us areas where we're doing well, as well as helping us refine how and where we might be able to do more. That makes it an important tool to help us 'course correct' when needed. More generally, it reflects our approach as an organisation that is constantly learning, evaluating, and making continual refinements and adjustments in what we do – all important to ensuring we achieve our strategy.

Investing for a better tomorrow

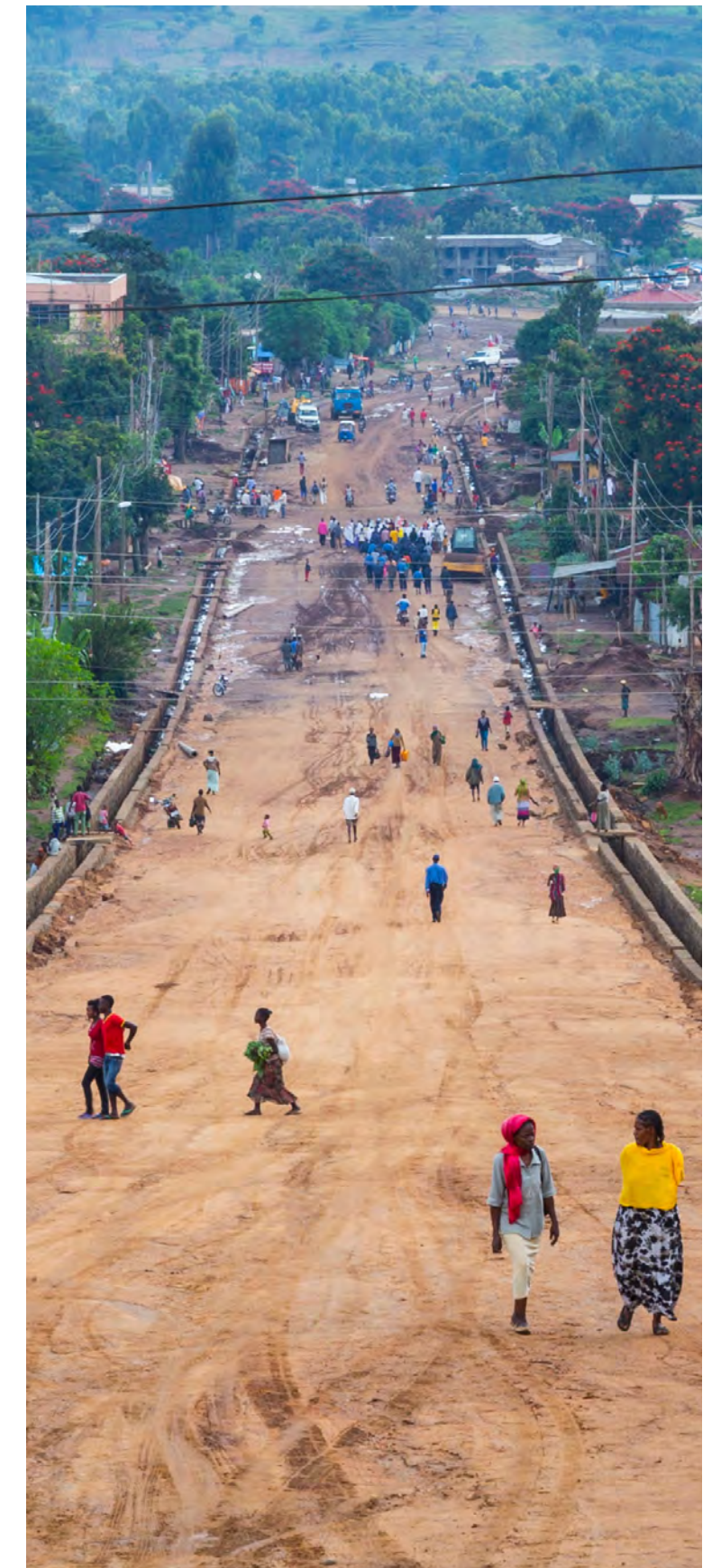
Regardless of whether we're thinking about how to safeguard our future impact, or how to achieve the greatest impact in the current environment, what we're here to do is invest to make a difference to people's lives.

I am encouraged by what we have already achieved after only one year of the five-year strategy. And I am optimistic about what comes next. The private sector, supported by development finance, has an important role to play in finding solutions to the development challenges that are affecting people's lives. Together, our investments and partnerships are supporting solutions that will help countries, businesses and people achieve a better tomorrow.

Nick O'Donohoe  
Chief Executive Officer



The private sector, supported by development finance, has an important role to play in finding solutions to the development challenges that are impacting people's lives.



# 2022 at a glance

## January

- + 2022 marks the start of our new five-year strategy to invest in productive, sustainable and inclusive development. It builds on the mandate that has been at the heart of our work for nearly 75 years and sets a new ambition for scale and innovation.
- + Ayana Renewable Power – a clean-energy company we launched in 2018 – reaches one gigawatt (GW) of renewable energy operational capacity in India.

## April

- + On 4 April 2022, we formally rename to British International Investment. Our new name captures who we are and what we do. It communicates the increased breadth of our role as an organisation.



## May

- + We celebrate reaching the milestone of investing over \$100 million in Nepal. **+ Read about some of our investments in the country on page 15.**

## July

- + In partnership with Transparency International UK, we launch **Investing with integrity**, a new report exploring the links between business integrity and achieving development impact. **+ Find out more about the report on page 37.**



## September

- + As part of our broadened remit to provide climate finance in the Indo-Pacific region, we open a new office in Singapore to bring us closer to our focus markets of the Philippines, Indonesia, Vietnam, Cambodia and Laos. We will invest in the renewables sector and work with a network of investors to help these economies reduce emissions, protect the environment and adapt to the changing climate.



## October

- + Safaricom Ethiopia switches on its network and services in Ethiopia's capital, Addis Ababa. Over the year, Safaricom has helped improve access and quality of mobile services by switching on its 2G, 3G and 4G mobile services across 20 cities in the country.

## November

- + We celebrate five years of MedAccess, the social-finance company we founded in 2018. It was set up to help tackle global healthcare challenges. Since it was set up, 530 million people in more than 95 countries have benefitted from access to medical innovations through MedAccess' agreements, which have also encouraged \$578 million in product sales.
- + As one of the UK Government's largest green finance investment programmes in Africa, we play a significant role at the COP27 Climate Change Conference in Sharm el-Sheikh, Egypt, announcing a range of initiatives. **+ Turn to page 26 to find out more.**

- + We re-establish our presence in the Caribbean by announcing a \$10 million investment in SEAF Caribbean SME Growth Fund, our first investment in the region since 2000. The investment will back high-growth SMEs and bolster businesses' ability to grow their operations. Our ambition in the Caribbean under our new strategy is to back private-sector growth and increase climate finance in the region.



## December

- + The WWF Water Risk Filter, which we worked on with WWF, wins the 2022 Principles for Responsible Investment Award for ESG Research Innovation of the Year. The filter is an online tool to help companies assess and respond to water-related risks. **+ Read more about it on page 28.**



# What **new** investments have we focused on this year?

Click on the below to view...

- Backing our key regions**
- Supporting priority sectors**
- A flexible approach to providing capital**
- Mobilising commercial capital into developing economies**

## Our investments in numbers

In 2022, we made

**£1.27 billion**  
of new commitments

In total, across our whole portfolio, we're invested in...

**65**  
countries

**1,476**  
companies including...

**768**  
businesses in Africa

**601**  
businesses in South Asia

## Backing key regions

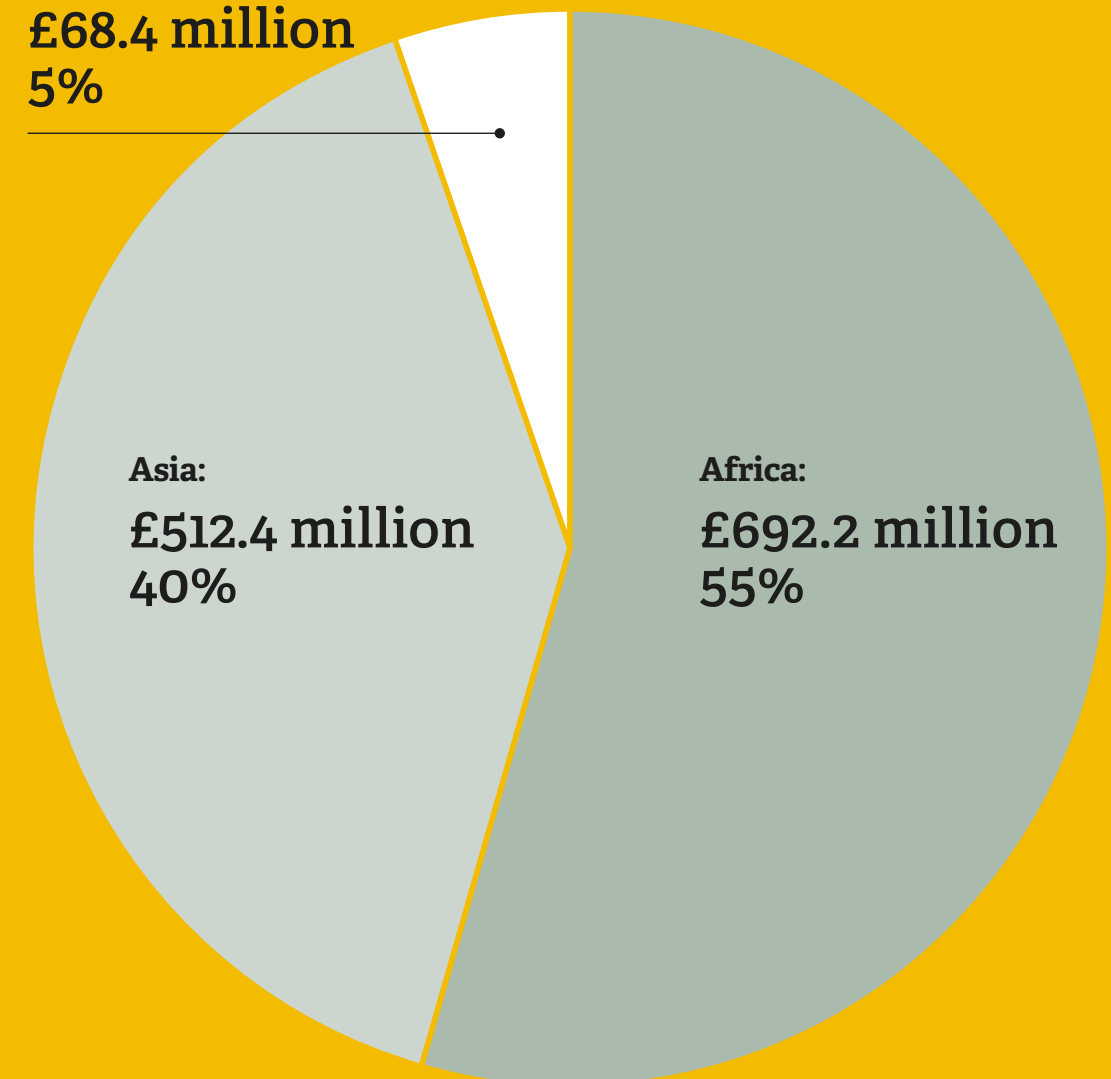
Over the past ten years, we have focused our investment in Africa and South Asia. In our current 2022 – 26 strategy, we continue this focus, and expand our geographic remit to include the Indo-Pacific and the Caribbean. In 2022, we made our first investment in the Caribbean, which is included in 'Other' in the chart below. We made our first investment in the Indo-Pacific region in 2023.

You can find out more about our portfolio by country and region at [bii.co.uk/en/our-impact/key-data/](https://bii.co.uk/en/our-impact/key-data/)

## 2022 commitments by region

Other\*:

**£68.4 million**  
5%



\* This includes investments that span both Africa and Asia, as well as investments in other countries such as in the Caribbean region.

# What **new** investments have we focused on this year?

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## Supporting priority sectors

A focus on, and expertise in, key economic sectors is central to our approach to making successful investments. We prioritise those sectors that facilitate development and need our capital the most. Our priority sectors contribute towards many of the SDGs. These sectors range from investing in the power infrastructure that will provide people with better access to electricity; to sectors that are powerful job creators or sectors that are critical for improving access to basic goods and services; to investing in financial institutions that direct capital to the individuals and enterprises that need it.

You can find out more about our portfolio by sector at [bii.co.uk/en/our-impact/key-data/](https://bii.co.uk/en/our-impact/key-data/)

## Our investments in numbers

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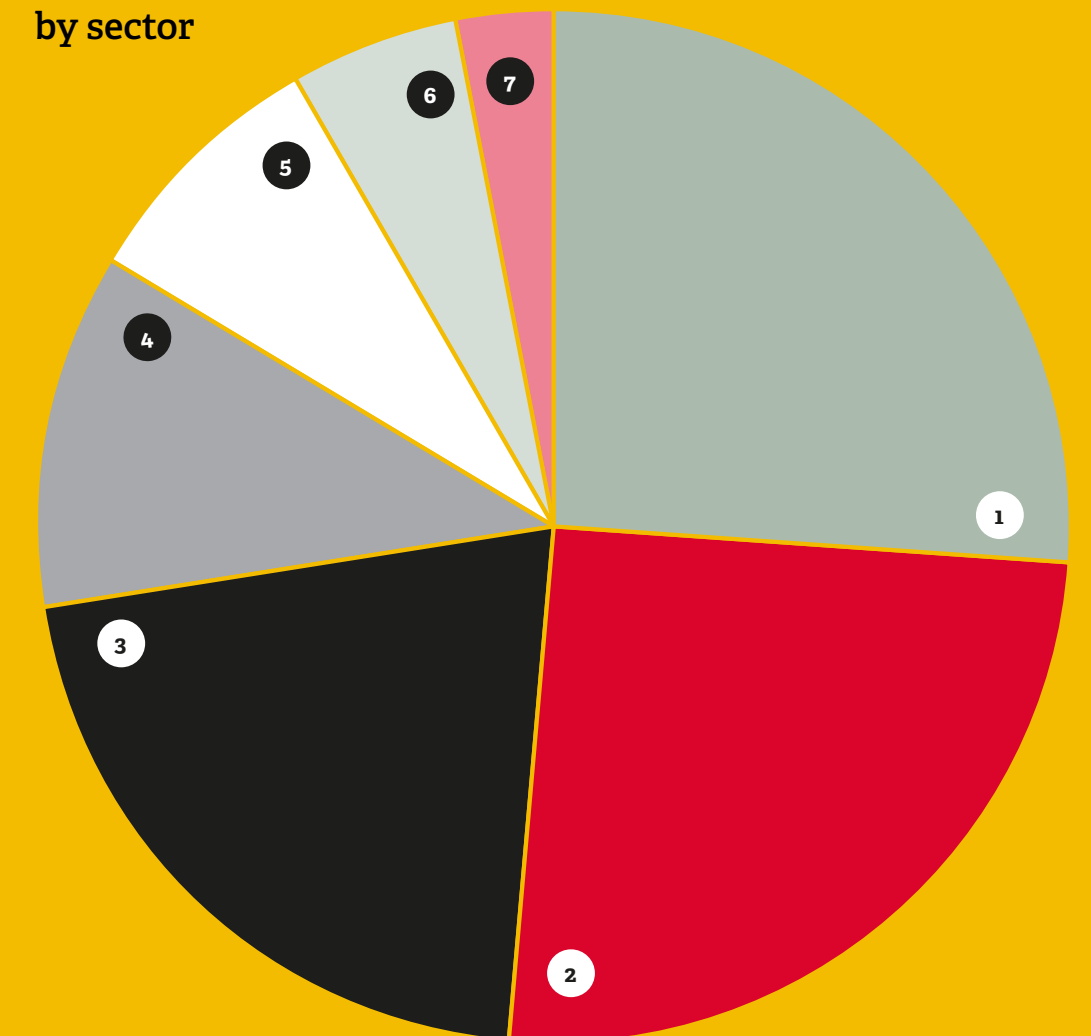
**768**  
businesses in Africa

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businesses in South Asia

### Key

- 1. Infrastructure (£325.8m) 26%
- 2. Financial services (£323.0m) 25%
- 3. Manufacturing (£266.1m) 21%
- 4. Other (£144.6m) 12%
- 5. Food and agriculture (£107.9m) 8%
- 6. Technology and telecoms (£64.3m) 5%
- 7. Health (£41.3m) 3%

## 2022 commitments by sector



# What **new** investments have we focused on this year?

Click on the below to view...

- Backing our key regions**
- Supporting priority sectors**
- A flexible approach to providing capital**
- Mobilising commercial capital into developing economies**

## A flexible approach to providing capital

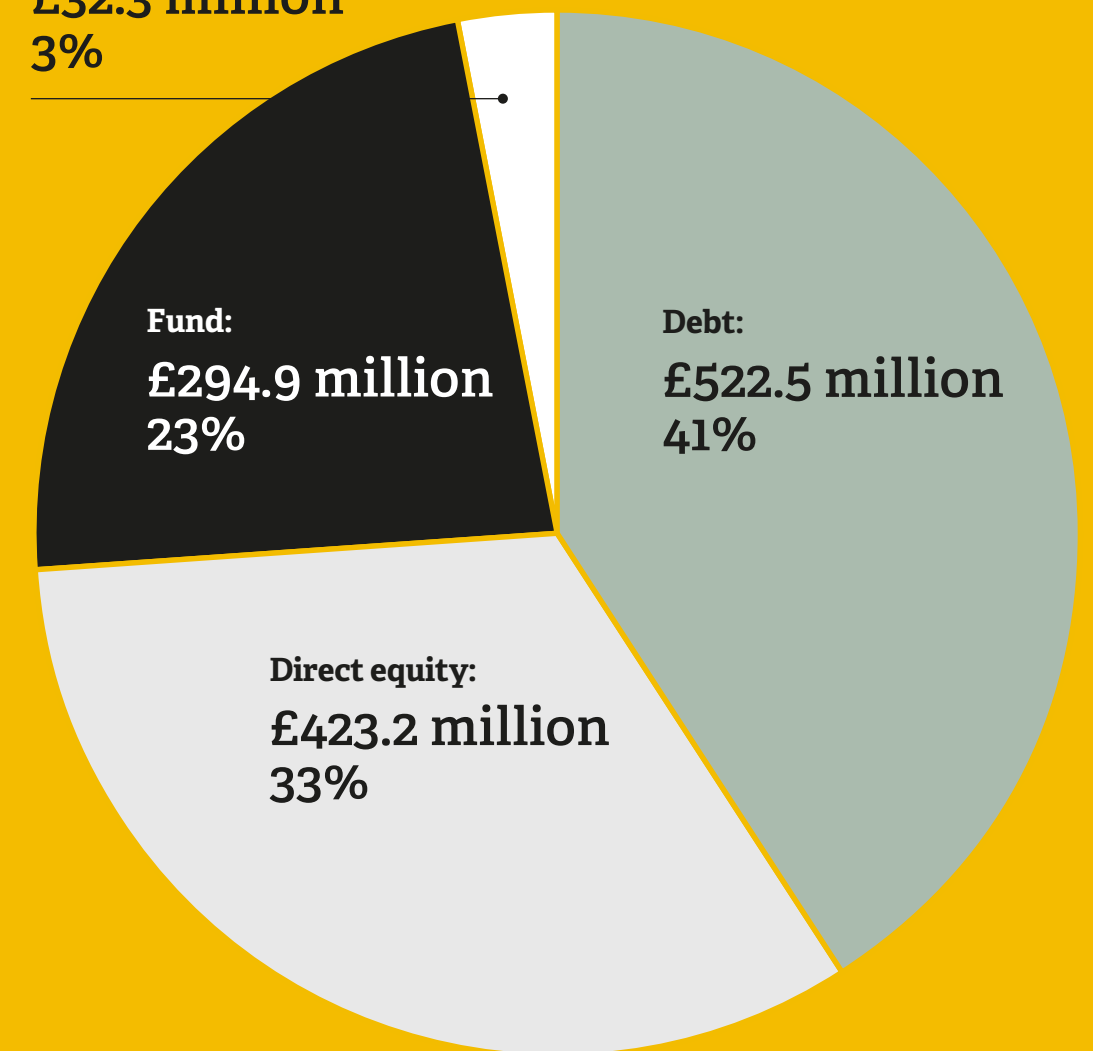
We provide capital in many ways: direct equity, debt, intermediated investments (funds, for example), guarantees and trade finance. Each product has different benefits, so a flexible approach helps us achieve a wider range of impact objectives and meet the needs of each business.

You can find out more about our portfolio by product type at [bii.co.uk/en/our-impact/key-data/](https://bii.co.uk/en/our-impact/key-data/)

## 2022 commitments by product type

Guarantees:

**£32.3 million**  
3%



## Our investments in numbers

In 2022, we made

**£1.27 billion**  
of new commitments

In total, across our whole portfolio, we're invested in...

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countries

**1,476**  
companies including...

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businesses in South Asia

# What **new** investments have we focused on this year?

Click on the below to view...

- Backing our key regions**
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- Mobilising commercial capital into developing economies**

## Mobilising commercial capital into developing economies

When DFIs invest in a project or company, they can encourage private-sector investors to deploy capital alongside them.

In 2022, we committed \$1.56 billion of capital and this mobilised \$1.35 – 1.41 billion of private-sector capital into our investments. Using the Organisation for Economic Co-operation and Development (OECD) methodology, this meant mobilising \$88 from the private sector for every \$100 of our own commitments. And using the multilateral development bank (MDB) methodology, this meant mobilising \$91 for every \$100 of our own commitments.

Further information about the OECD methodology can be found [here](#)

Further information about the MDB methodology can be found [here](#)

## Our investments in numbers

In 2022, we made

# £1.27 billion

of new commitments

In total, across our whole portfolio, we're invested in...

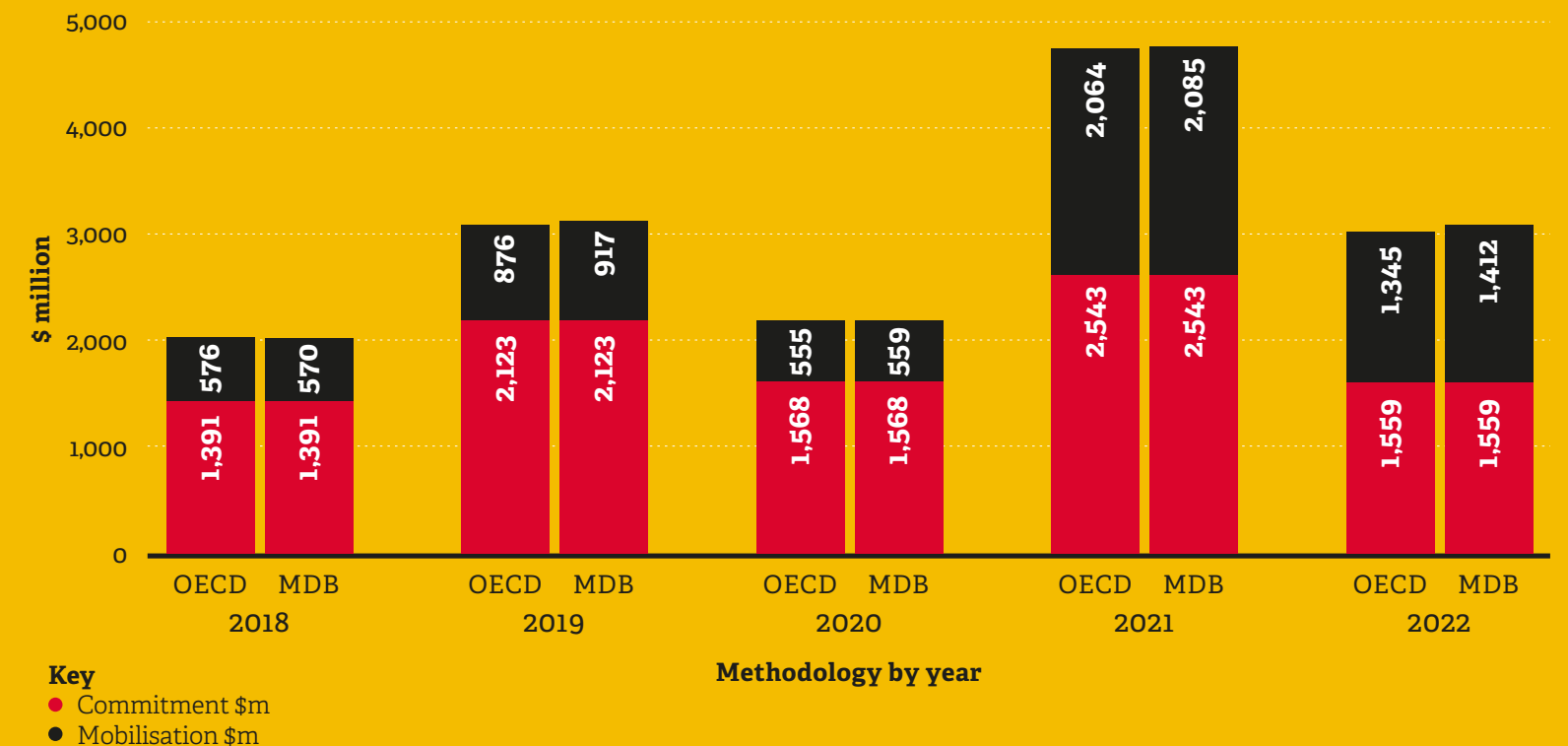
**65**  
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## Private sector capital mobilised



# What does our financial performance look like for this year?

**In 2022, we made £1.27 billion of new commitments, a lower figure than 2021 (£1.87 billion of commitments) but similar to our investment in 2020 (£1.22 billion of commitments).**

Our total net assets increased to £8.1 billion (£7.7 billion in 2021) and our portfolio grew to £6.9 billion (£6.0 billion in 2021). The main reason for this portfolio growth in 2022 was a higher pace of drawdowns compared with realisations and foreign currency valuation gains.

Our overall result is a profit after tax of £167.7 million (£463.5 million profit in 2021), which represents a gain of 2.2 per cent on net assets this year (6.8 per cent gain in 2021).

The portfolio generated a £285.6 million return (£584.4 million return in 2021), which represents a portfolio gain of 4.8 per cent (11.2 per cent gain in 2021). The seven-year weighted average annual portfolio return is 6.1 per cent.

We track returns in US dollars, as most investments are denominated in this currency. That means our financial results can be significantly affected by changes in the sterling to US dollar exchange rate. That was the case in 2022, where sterling substantially depreciated during the year.

In dollar terms, the portfolio generated a loss of 3.8 per cent in 2022 (10.8 per cent gain in 2021) due to macroeconomic headwinds and rising interest rates in our markets. This was a better performance than market indices which, although not a perfect comparator, showed more significant declines.

Nonetheless, we are a long-term investor, so it is important to look across multiple years for trends, recognising that, in any isolated year, market conditions or events may cause exceptional performance. In previous Annual Reviews, we have predicted portfolio returns would fall, due to our challenging mandate. It remains the case that since adopting a more targeted developmental strategy in 2012 – which involved a narrower geographic mandate and a higher risk appetite – this has led to lower returns and increased volatility.

We remain determined to continue to meet our financial return targets.

Our new financial performance measure, as defined in our 2022 – 26 strategy, articulates our appetite for financial risk and return, as well as ensuring the proper stewardship of taxpayer-owned assets. We will seek returns of 2 per cent across our total portfolio, measured on a rolling seven-year basis. This measure is consistent with our mandate to invest to support the economic stability that will improve the lives of millions of people in the countries where we invest, as well as our own long-term financial sustainability.

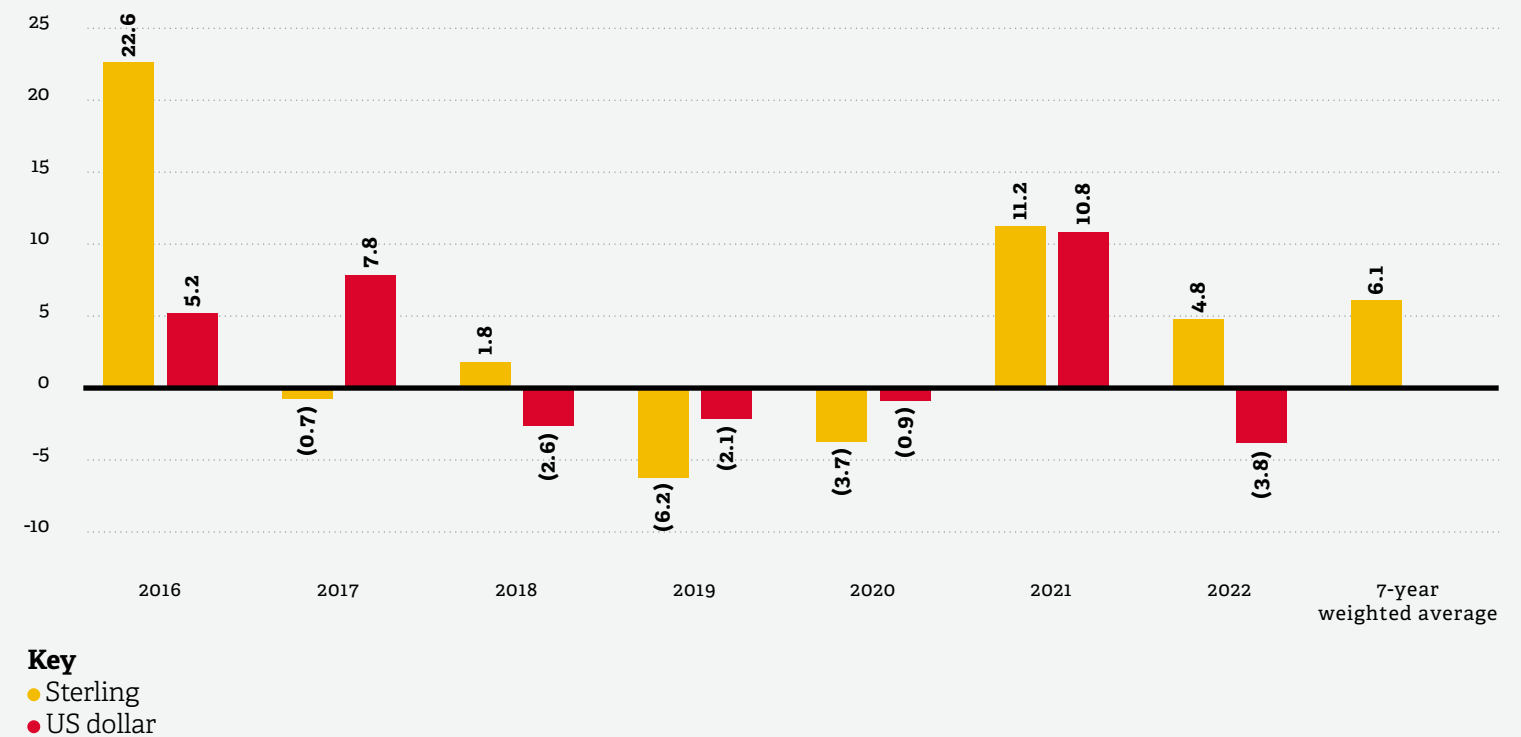
We remain ahead of this financial return hurdle, and the seven-year weighted average annual portfolio return is currently 6.1 per cent, **as shown in the chart below.**

Total net assets  
**£8.1 billion**

Portfolio  
**£6.9 billion**

Amount committed in 2022  
**£1.27 billion**

**Portfolio return (%)**



**You can read our financial statements in full, and find out more about our approach to risk, in our [Annual Accounts](#).**

# How have we targeted impact this year?

In this section, we provide an overview of how our 2022 commitments will contribute to the UN Sustainable Development Goals (SDGs). We also highlight how we have implemented our new tool for managing strategic impact, our Impact Score.

## Our commitment to the Sustainable Development Goals

We invest to make a lasting difference to people's lives. We invest in line with all the SDGs, beginning with Goal 1 on poverty. We target a wide range of global issues, and people mainly experience our impact through our work on: economic growth, creating more and better jobs (SDG 8); access to goods and services such as power infrastructure and telecommunications (SDGs 7 and 9); climate change (SDG 13); and gender equality (SDG 5).

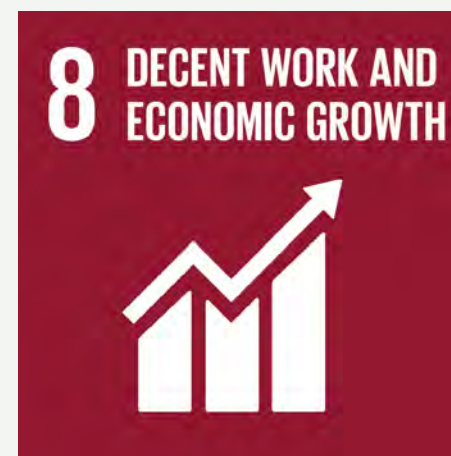
For each investment we make, we use our Impact Framework to define what we expect to achieve, which includes linking the impact of the investment to the SDGs.

The graphic below shows the four SDGs which we committed most capital to in 2022, and the value of commitments against each of these.

A full breakdown of our 2022 commitments for individual SDGs can be found at: [bii.co.uk/en/our-impact/key-data/](https://bii.co.uk/en/our-impact/key-data/)

Our commitment to each SDG

£888.5m



£678.6m



£381.3m



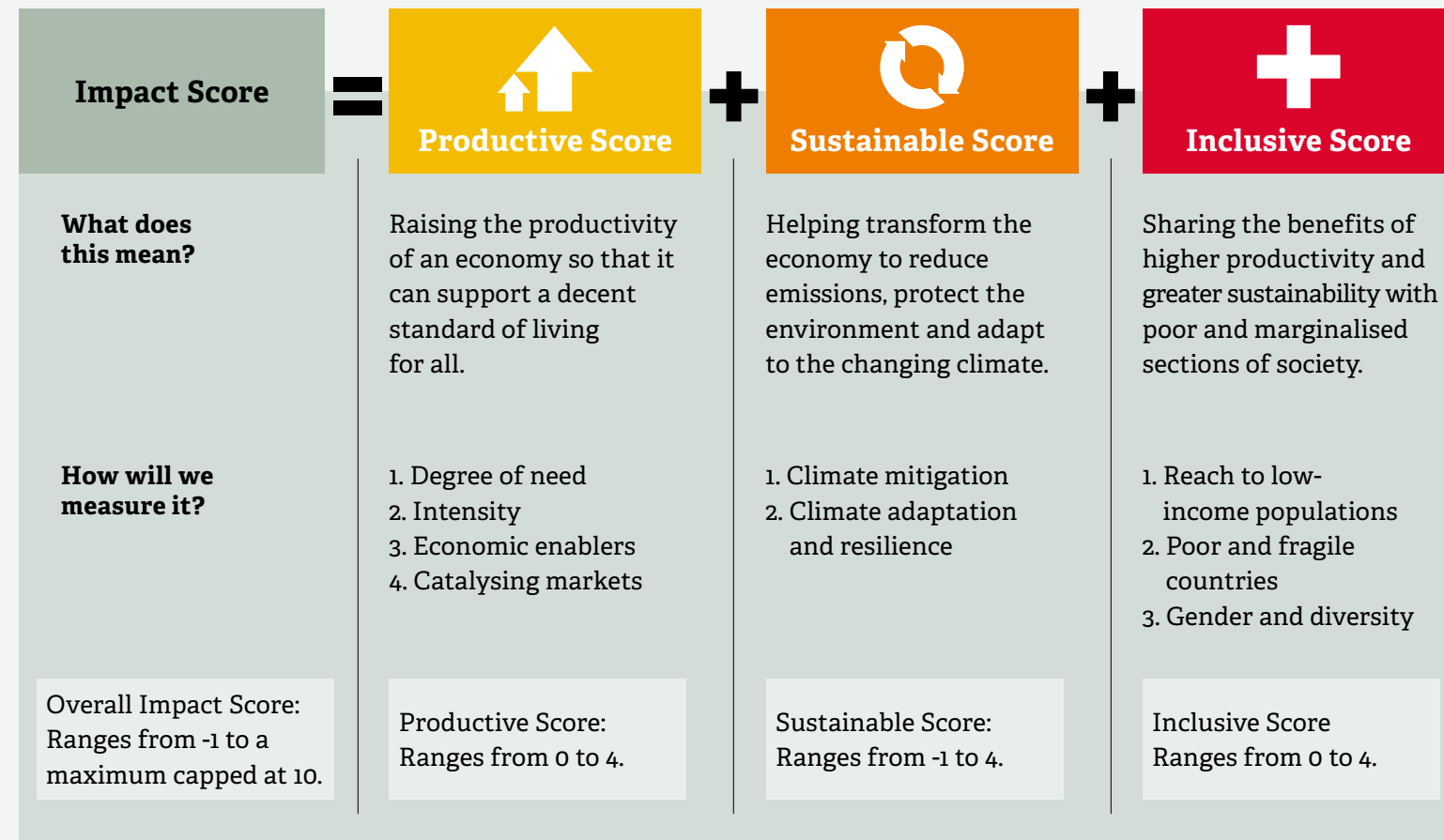
£308.0m



Overview of our impact continued

# Our Impact Score

In 2021, we developed our Impact Score, a tool for managing strategic impact on a portfolio basis during our 2022 – 26 strategy period. The Impact Score is designed to recognise and incentivise investments that are likely to contribute most to our three strategic impact objectives of productive, sustainable and inclusive development.



We give every potential investment a score for each of these three objectives and then calculate an overall investment score. The higher the score, the greater the alignment with our objectives. Each investment's expected Impact Score will be updated after two years, to reflect actual performance.

We combine individual scores to create an aggregate Impact Score for our portfolio.

## Our Impact Score performance

For 2022, our aggregate Impact Score, based on the expected impact of our new commitments, was 7.0.

Our aggregate Impact Score, and the process by which we score individual investments, are externally assured by an independent third party using international standards. This means that a third party has reviewed the process by which the scoring takes place and tested a sample of investments to increase our confidence that we have implemented the tool in line with our processes and procedures. We also publish the [assurance statement](#) on our website.

You can also find out more about our Impact Score here: [bii.co.uk/en/news-insight/insight/articles/managing-the-impact-of-our-portfolio-our-impact-score/](https://www.bii.co.uk/en/news-insight/insight/articles/managing-the-impact-of-our-portfolio-our-impact-score/)

### Watch video

To watch a short animation which explains our Impact Score click here.



Find out more about our overall approach to impact here: [bii.co.uk/en/our-impact/what-impact-means-to-us](https://www.bii.co.uk/en/our-impact/what-impact-means-to-us)

## Impact Score in practice: an example investment

### A renewable energy project in South Africa

Project summary: The project combines solar power generation and battery storage. It will add renewable energy capacity to reduce electricity supply constraints that cause power outages in the country...



**Read full story**




Overview of our impact continued

# Our Impact Score

## Impact Score in practice: an example investment

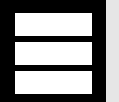
### A renewable energy project in South Africa

Project summary: The project combines solar power generation and battery storage. It will add renewable energy capacity to reduce electricity supply constraints that cause power outages in the country.

 <b>Productive Score</b>	+	 <b>Sustainable Score</b>	+	 <b>Inclusive Score</b>
<ul style="list-style-type: none"> <li>✓ <b>The degree of need</b> for access to power in South Africa is relatively low</li> <li>✓ <b>The amount of power produced</b> for every dollar invested is in line with our sector benchmarks</li> <li>✓ We also know that <b>reliable power generation</b> plays a vital role in enabling businesses to grow</li> <li>✓ Solar power generation with battery storage has the potential to be <b>replicated by others</b> in the market</li> </ul>		<ul style="list-style-type: none"> <li>✓ An example of <b>renewable energy</b></li> <li>✓ Qualifies as <b>climate finance</b></li> </ul>		<ul style="list-style-type: none"> <li>✓ Power from this investment will be <b>sold to the national grid</b></li> <li>✓ The impact is not targeted at a particular stakeholder group and the profile of final consumers is <b>not easily assessed</b></li> <li>✓ We use the <b>default country score</b> instead</li> </ul>
<div style="display: flex; align-items: center;"> <div style="background-color: #f1c40f; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">4</div> <p>Based on these factors, we give this investment a Productive Score of 4.</p> </div>		<div style="display: flex; align-items: center;"> <div style="background-color: #e67e22; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">3</div> <p>Based on these factors, we give this investment a Sustainable Score of 3 – the default score for renewable energy.</p> </div>		<div style="display: flex; align-items: center;"> <div style="background-color: #e91e63; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">1</div> <p>Based on these factors, we give this investment an Inclusive Score of 1.</p> </div>

= With all three scores now allocated, the total Impact Score for this investment is **8**.





# We're investing for a better tomorrow



**Investing for productivity**

14



**Investing for sustainability**

23



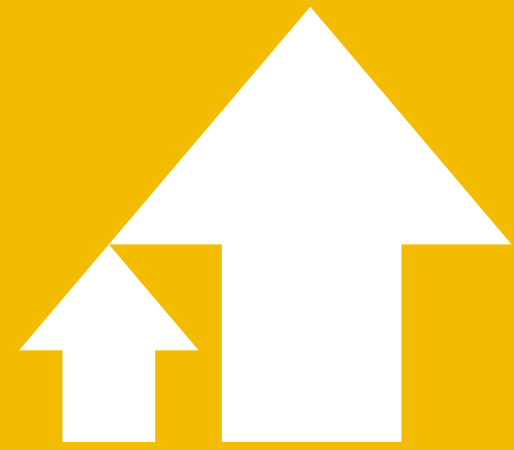
**Investing for inclusivity**

29

**Going deeper on impact**

35





How does  
**investing for  
productivity**  
create a better  
tomorrow?



**We invest to raise the productivity of economies,  
to support higher incomes and a decent standard  
of living for all.**



**We invest in businesses and funds with the goal of improving access to goods and services that make a difference to people's lives – such as internet access, power, financial services, food or health.**

# Accelerating digital transformation

Access to affordable, good-quality internet and data services is central to development, both in strengthening the growth of businesses and local economies, and in increasing access to education, healthcare, banking and government services.

However, nearly half the global population remains unconnected to the internet, and many more have expensive, low-quality connections. Furthermore, the financing need for digital infrastructure is not being met. An estimated \$100 billion investment will be required in Africa alone to achieve universal broadband internet access by 2030.

In 2022, we continued to back our existing digital infrastructure investments (➔ **see case studies on Global Partnership for Ethiopia and WorldLink**) as well as make new investments, such as AXIAN Telecom's public listed bond which will allow the company to increase access to affordable mobile and data services across Africa (➔ **see case study**).

Aside from investing in digital infrastructure, we also invest in companies that use technology as part of an innovative business model to achieve transformational impact. Supporting these kinds of businesses is crucial to harnessing the power of digital technology to create jobs and economic growth. One example from 2022 is our investment in Moniepoint in Nigeria, which provides small-business owners with digital financial services, helping them increase productivity and grow. (➔ **see case study on page 17**).



## Supporting internet access in rural Nepal

**Investment name:** WorldLink  
**Region/country:** Nepal  
**Investment type:** Growth Portfolio

In Nepal, affordable broadband has only reached a quarter of households. And it's even harder to get people outside the capital, Kathmandu, connected. WorldLink is an internet service provider trying to change this. It reaches customers in some of the least-connected parts of Nepal...

[➔ Read full story](#)

## Delivering mobile connectivity in Ethiopia

**Investment name:** Global Partnership for Ethiopia/Safaricom Ethiopia  
**Region/country:** Ethiopia  
**Investment type:** Growth Portfolio

In 2021, we partnered with Safaricom, Vodafone, Vodacom and Sumitomo, as part of an international consortium, and won the award to run the mobile network licence in Ethiopia...

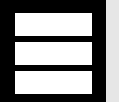
[➔ Read full story](#)

## Enabling affordable digital access

**Investment name:** AXIAN Telecom  
**Region/country:** Pan-Africa  
**Investment type:** Growth Portfolio

Affordable mobile and data services are a vital component of any economy. AXIAN Telecom is a provider of telecoms services and infrastructure across Africa, including Tanzania, Togo, Madagascar and Uganda...

[➔ Read full story](#)



# Accelerating digital

## Supporting internet access in rural Nepal

**Investment name:** WorldLink  
**Region/country:** Nepal  
**Investment type:** Growth Portfolio

In Nepal, affordable broadband has only reached a quarter of households. And it's even harder to get people outside the capital, Kathmandu, connected. WorldLink is an internet service provider trying to change this. It reaches customers in some of the least-connected parts of Nepal.

We first invested in the company in 2019, with \$12 million to support it to increase internet access in the country. To date, the company has already connected 750,000 households and SMEs in Nepal.

On the back of this success, in 2022, we invested a further \$8.4 million. The company will use our latest investment to continue its internet expansion across the country, with a focus on rural areas. It plans to reach more than 1.3 million customers by the end of 2025, with 70 per cent based outside Kathmandu.

As well as providing better and more affordable internet access, WorldLink is also one of Nepal's largest employers with around 5,000 employees. Our recent investment will help to create an additional 1,000 jobs and provide skills training to the workforce.



**Watch video**  
Click here to learn more about WorldLink.

## Delivering mobile connectivity in Ethiopia

**Name:** Global Partnership for  
**Company:** Com Ethio  
**Country:** Ethiopia  
**Investment type:** Growth Portfolio

Partnered with Safaricom, Vodafone, Sumitomo, as part of an international consortium and won the award to run the national mobile network licence in Ethiopia...

## Affordable digital access

**Name:** AXIAN Telecom  
**Company:** Pan-Africa  
**Investment type:** Growth Portfolio

Mobile and data services are a key element of any economy. AXIAN is a leading provider of telecoms services across Africa, including Nigeria, Madagascar and Uganda...

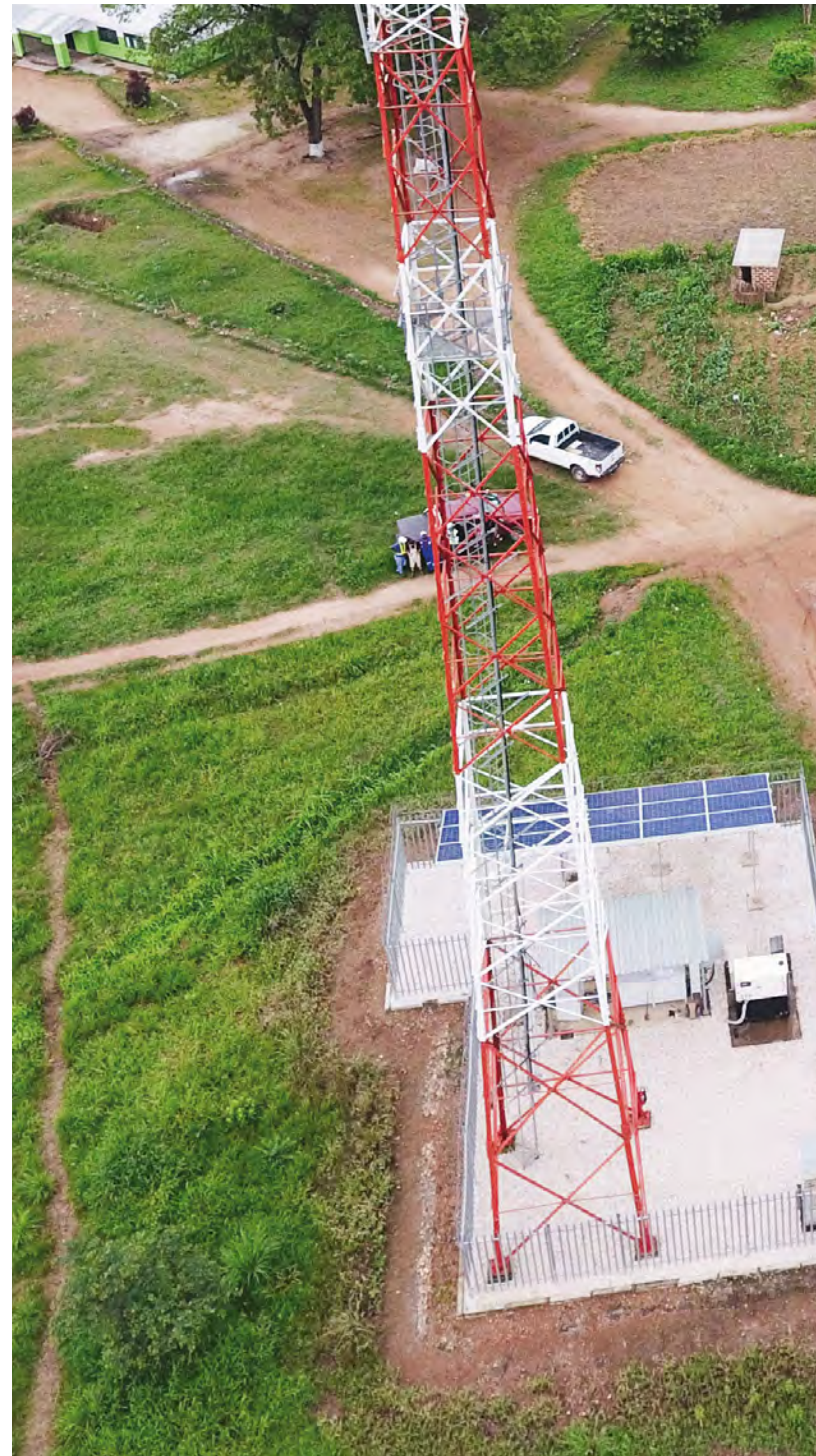


# Accelerating digital transformation

We invest in businesses and funds with the goal of improving access to goods and services that make a difference to people's lives – such as internet access, power, financial services, food or health.

## Delivering mobile connectivity in Ethiopia

**Investment name:** Global Partnership for Ethiopia/Safaricom Ethiopia



### Delivering mobile connectivity in Ethiopia

**Investment name:** Global Partnership for Ethiopia/Safaricom Ethiopia

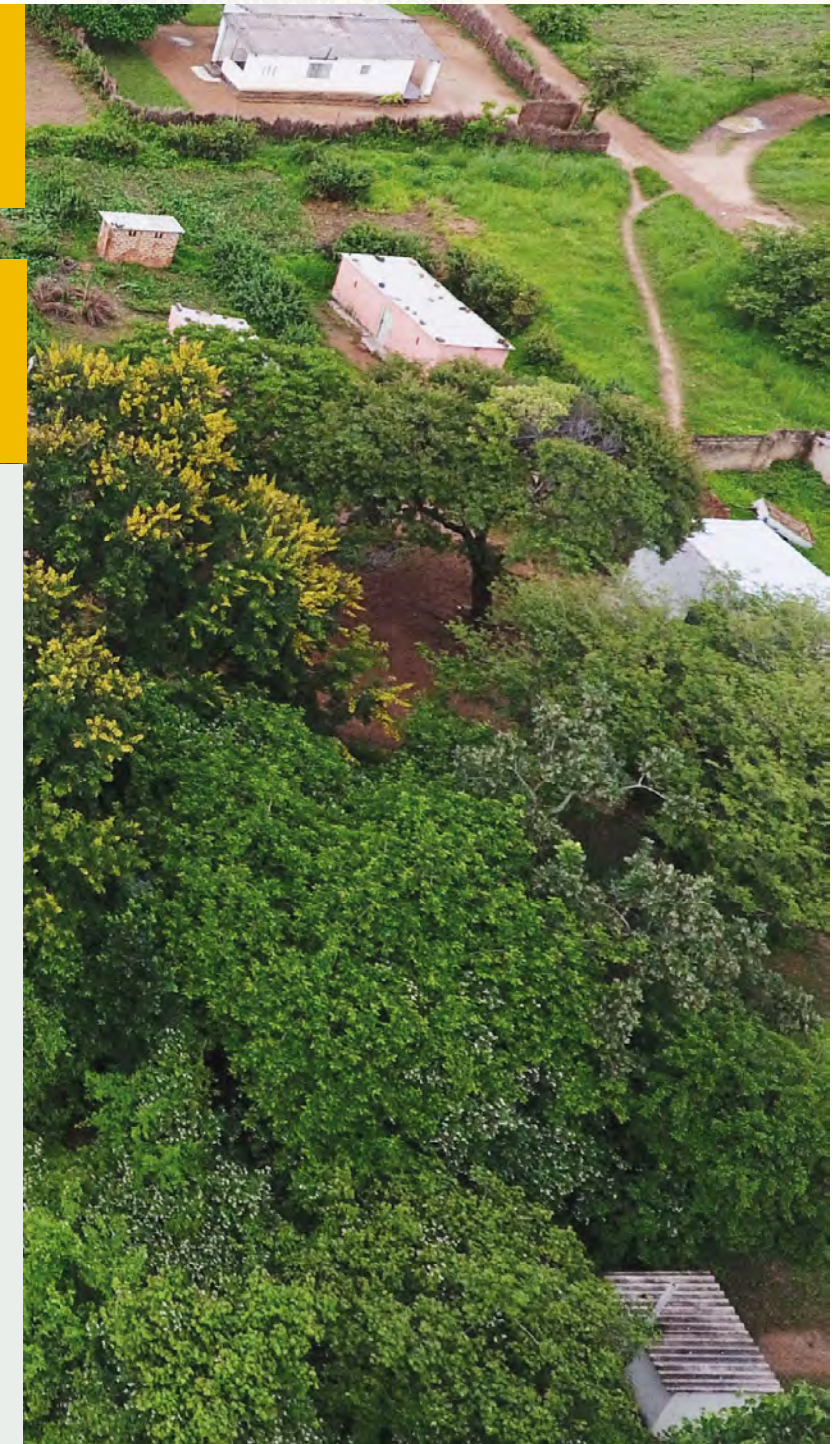
**Region/country:** Ethiopia

**Investment type:** Growth Portfolio

In 2021, we partnered with Safaricom, Vodafone, Vodacom and Sumitomo, as part of an international consortium, and won the award to run the mobile network licence in Ethiopia.

Last year, Safaricom Ethiopia switched on its mobile telecommunications network and services across 20 cities in the country. The switch-on means that Safaricom Ethiopia's 2G, 3G and 4G mobile services are now available in these cities, including the capital, Addis Ababa, and the country's third largest city, Dire Dawa. The company plans to launch services in a total of 25 cities by April 2023.

The launch of Safaricom Ethiopia will achieve development impact at a country-wide level, and it will transform the economic prospects for millions of Ethiopians. By November 2022, one month after launching, the company had crossed the one million mark in subscriber numbers.





We invest in businesses and funds with the goal of improving access to goods and services that make a difference to people's lives – such as internet access, power, financial services, food or health.

# Accelerating digital

## Enabling affordable digital access

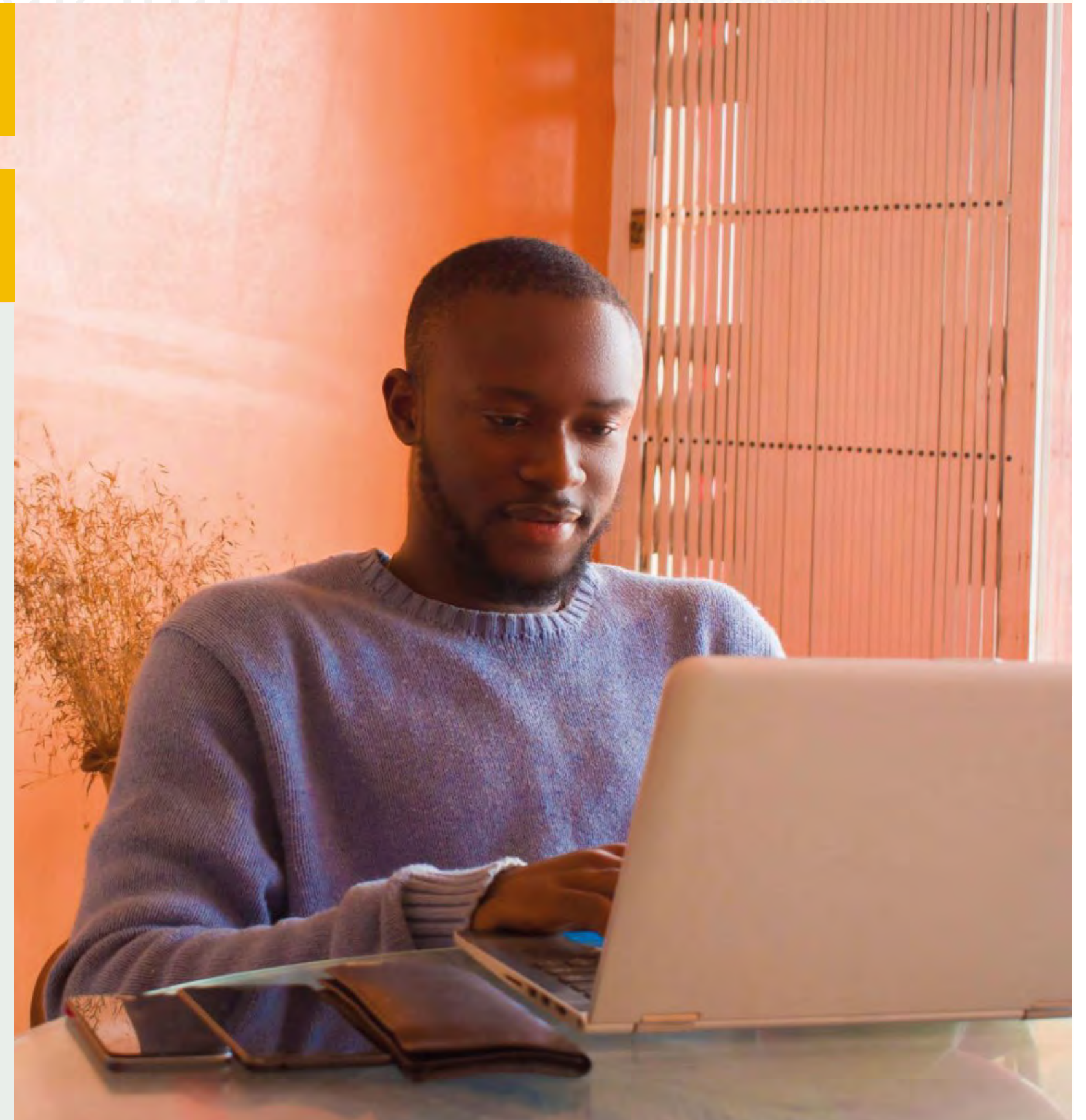
**Investment name:** AXIAN Telecom

**Region/country:** Pan-Africa

**Investment type:** Growth Portfolio

Affordable and reliable mobile and data services are a vital component of any economy. AXIAN Telecom is a provider of telecoms services and infrastructure across Africa, including Tanzania, Togo, Madagascar and Uganda.

In 2022, we made a \$25 million commitment to AXIAN Telecom's public listed bond. This was Axian's first bond issuance and it focused on countries such as Madagascar and Togo, which are less well-known to bond investors. Our commitment supported the mobilisation of private capital from institutions that are less familiar with AXIAN Telecom's markets. It was also at a time of difficult market conditions, resulting in lower liquidity towards emerging markets. This new financing will allow the company to increase access to affordable mobile and data services. It will have a particular focus on improving digital access in rural regions and among lower-income groups.





**Infrastructure is fundamental to development and is the foundation of any economy. Provision of infrastructure gives companies and communities access to services such as power, and enables businesses to operate and grow more effectively. That's why infrastructure is one of our priority sectors, making up more than a quarter of our portfolio.**

# Building modern infrastructure

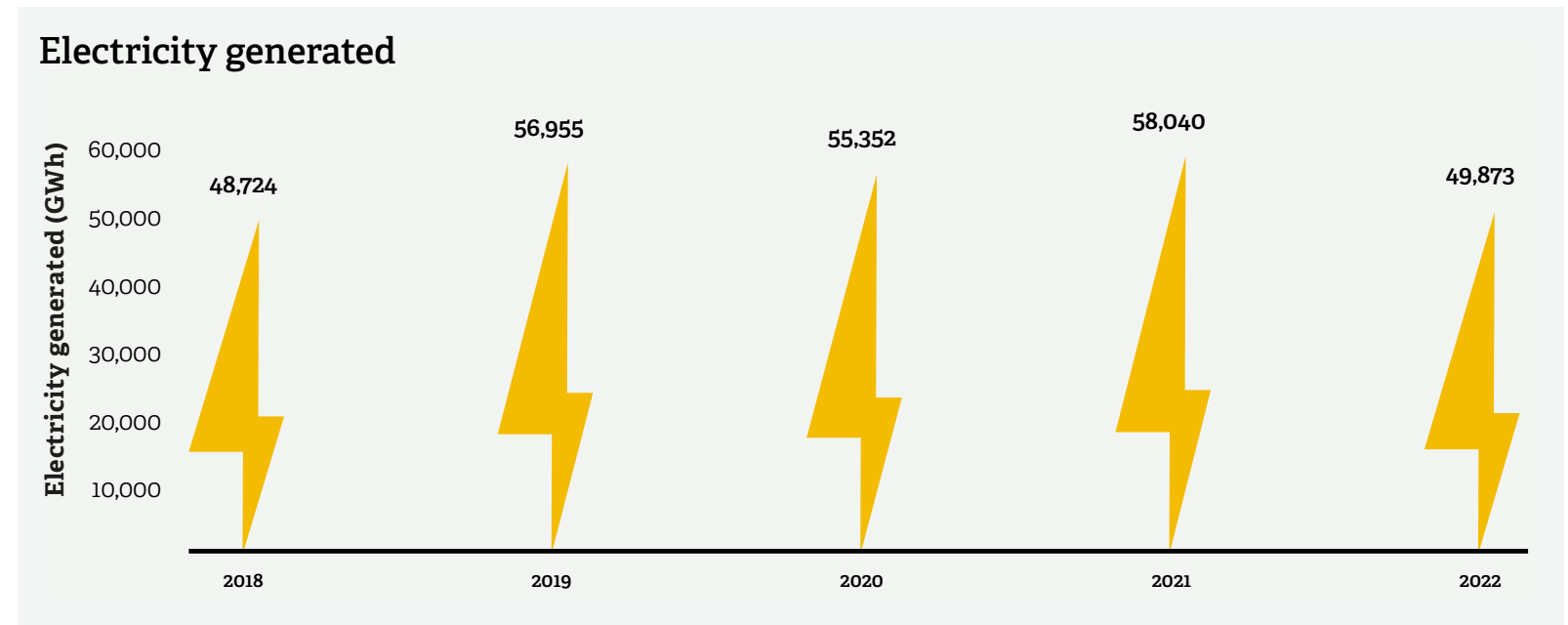
We invest in power infrastructure because we know that businesses and people in the countries where we invest need better access to electricity. Manufacturing companies need power and logistics to operate. Workers must travel to their jobs. People need lighting, communications, transport and clean water.

In 2022, we continued our focus on green infrastructure, with new investments including Africa's largest, and South Africa's first, baseload renewable energy project, combining solar and battery energy storage to provide clean power to the grid. Existing investments in green infrastructure within our portfolio continue to generate the clean energy that is so vital for sustainable economic growth. You can read about our new investments in renewable energy, as well as the milestones

reached by our renewable energy portfolio this year in the **+** 'Investing for sustainability' section on page 23.

In 2022, our electricity investments generated and distributed 50 TWh of electricity, equivalent to 16 per cent of total electricity generated in the UK in 2021. This slight drop in production is due to exits from non-renewable assets in our fund's portfolio. In addition to grid electricity, BII investees helped many others through investments in off-grid power, ports, telecoms, water and sanitation.

**26%**  
of our commitments in 2022 were in infrastructure



## Evaluating the impact of our infrastructure portfolio

Infrastructure is one of our priority sectors and makes up over a quarter of our portfolio. In April, we welcomed the publication of an independent portfolio-wide analysis of our investments in the sector.

As the evaluation notes, since 2007 we have invested \$2.3 billion across 36 countries and 194 companies, managing 295 infrastructure assets between them. As a result, businesses in our portfolio are supporting:

- 25 GW** of power-generating capacity, which is equivalent to the total amount in all West Africa;
- 5,289km** of road capacity, which is the approximate distance from Nairobi to Cape Town; and
- 33,060** telecoms towers, which is equivalent to 5 per cent of the total number of towers in India.

This report was the second in the FCDO–BII Evaluation and Learning Programme of independent multi-year evaluations across our priority sectors. These longer-term, portfolio-wide evaluations draw out lessons which support internal learning and are critical to help us and FCDO better understand how our investments deliver impact on people, businesses, sectors and overall economies.



**Read full story**

# Strengthening financial services

One vital foundation of a thriving economy is a financial sector that meets the needs of the businesses and communities it serves. We invest to promote financial inclusion, improve performance – for example, by extending the range of financial services and products available – or both.

One way we help banks support local businesses and economies is by backing new trade-finance facilities. These aim to ensure businesses can buy and sell goods and, in turn, contribute to economic growth. In 2022, we backed the Africa-focused Trade Access Program, which aims to strengthen trade across Africa (▶ see case study on the next page).

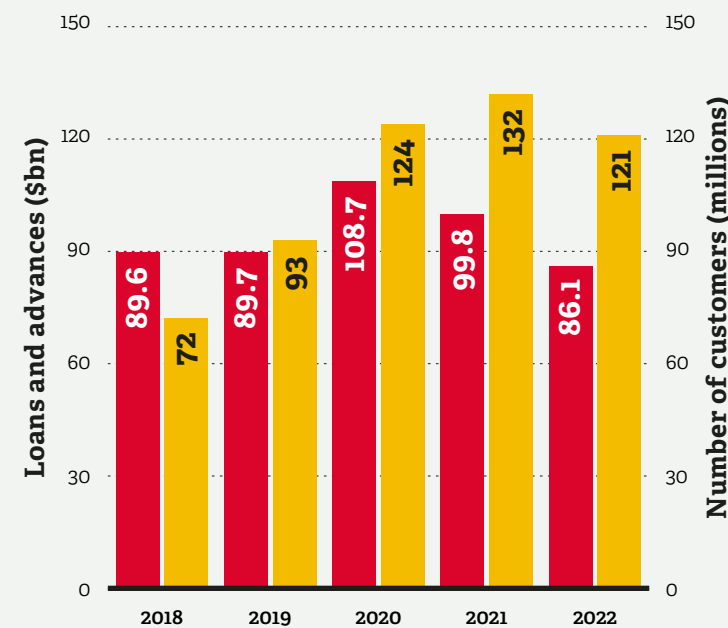
Our investments in financial services also provide capital to specific groups of individuals and enterprises that need it the most, through ‘directed lending’. This type of investment allows us to direct capital to specific target groups and themes, such as SMEs, as well as businesses with a focus on energy efficiency or renewable energy, or that are owned by women.

We also know that many SMEs lack the access to financial services they need. In 2022, we invested in a number of businesses that provide small-business owners with digital financial services, such as Moniepoint in Nigeria (▶ see case study opposite) and Paymob in Egypt (▶ see case on page 45).

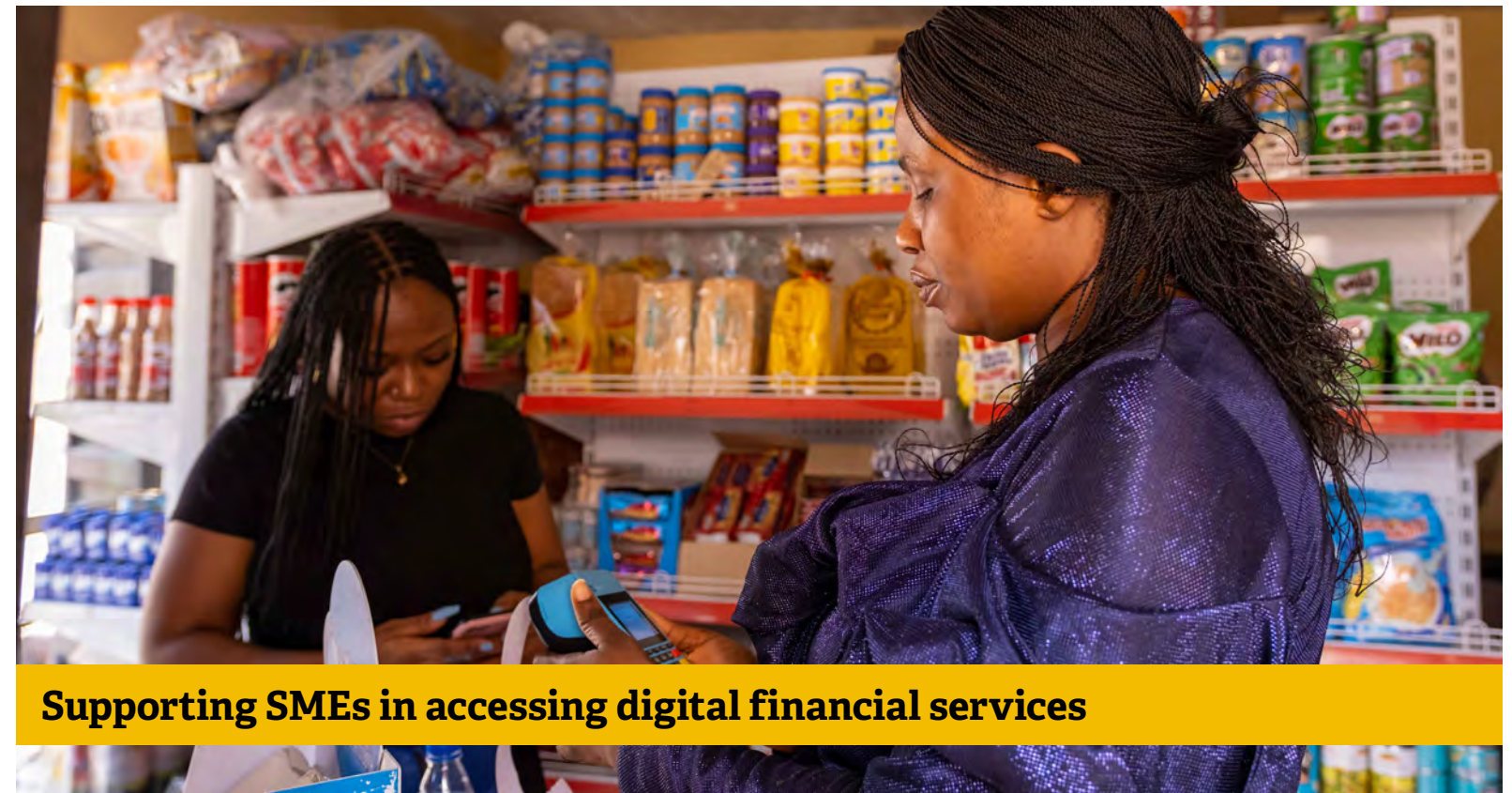
In 2022, the gross loan portfolio of our financial-sector investments, converted to US dollars, stood at \$86.1 billion. The loan portfolio was down compared with 2021, owing to exits from our portfolio. Those that remained in the portfolio grew their loan portfolio by 6 per cent. The impact of exits from the portfolio is also reflected in a slightly smaller customer base, reaching 121 million clients in 2022.



Loans and advances to customers



**Key**  
 ● Gross loan portfolio (\$bn)  
 ● Customers reached (millions)



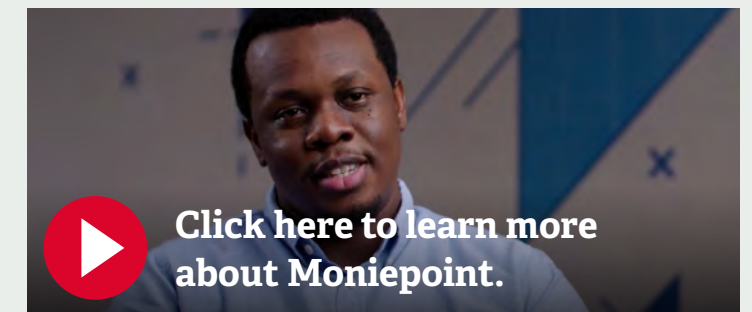
## Supporting SMEs in accessing digital financial services

**Investment name:** Moniepoint (previously TeamApt)  
**Region/country:** Nigeria  
**Investment type:** Catalyst Portfolio

There are around 40 million SMEs in Nigeria, and they contribute nearly half of the country’s GDP. Yet, they’ve typically lacked access to quality financial services.

Moniepoint is a business in Nigeria trying to solve this problem. It provides business owners with a range of digital financial services, including the ability to accept payments, access credit and manage their finances. Giving small businesses access to digital financial services helps them to increase productivity, serve customers better, and ultimately to grow. The company now has over one million customers in Nigeria, for which it processes \$10 billion of payments every month.

We invested \$10 million in the company in 2021 – 22, with the aim of increasing economic opportunities for small businesses in Africa, as well as enhancing financial inclusion for consumers. The investment is part of our strategy to provide direct financing to the most impactful companies within our portfolio of venture capital funds.





Strengthening financial services continued

## Strengthening trade in Africa

**Investment name:**

Ancile Trade Access Program Sub-Fund

**Region/country:** Pan-Africa

**Investment type:** Catalyst Portfolio

Access to funding is limited for African SMEs and small tech companies, such as agri-tech and fintech businesses. As a result, this constraint is particularly felt in the food and agriculture sector.

In 2022, we made an initial commitment of \$25 million to the Africa-focused Trade Access Program. The programme aims to strengthen trade across Africa by supporting SMEs and trade intermediaries such as agri-techs, fintechs and alternative trade financiers, by helping increase the availability of urgently needed liquidity. The technological and digital solutions offered by the businesses in the fund in turn reach smaller borrowers who are active members of local and international supply chains.

We also made a second commitment of \$25 million to the programme at the end of 2022. Given the current food security challenges in Africa, this commitment was specifically focused on helping with food security issues in Africa.

*The programme aims to strengthen trade across Africa by backing the growth of SMEs and trade intermediaries such as agri-techs, fintechs and alternative trade financiers, by helping increase the availability of urgently needed liquidity.*





**One of the reasons we invest is to improve economic opportunities for people. That might mean making an investment because we anticipate it will create more and better jobs, or improve incomes.**

# Supporting livelihoods

## Employment within our portfolio

In 2022, our portfolio of businesses provided direct jobs for 958,200 people (in full-time equivalents). Of these, 311,980 are employed by businesses we directly back and 646,220 are employed by companies within the investment funds BII has backed. Of these workers, 54,090 were new hires. In addition, projects in our portfolio supported 5,530 temporary construction workers involved in building new assets.

Of the firms supported, 54 per cent are SMEs (under 300 employees), of which 24 per cent are small businesses (under 50 employees).

## Comparing our portfolio with the wider market

The rate of job growth in our portfolio in 2022 was 6.0 per cent, compared with a background growth rate of 3.5 per cent, according to International Labour Organization (ILO) statistics. The 2022 job growth within the portfolio comes from across Africa (4.4 per cent) and South Asia (6.8 per cent), with both regions performing above their ILO background growth rate. Financial services investments create much of this growth, with food and agribusiness and information and communication technology (ICT) investments also providing significant contributions.

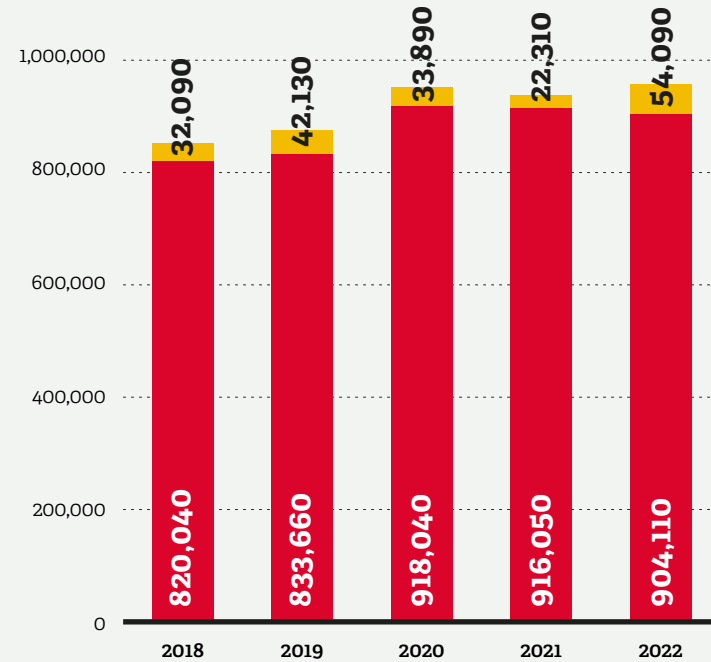
Over the past five years, the businesses we invest in have grown their workforces annually by an average of 4.2 per cent. This compares with an average growth rate of 2.3 per cent for all employees in Africa, South Asia and the Caribbean, according to ILO statistics.

## Supporting jobs in supply chains

We estimate that in 2022, our portfolio companies' supply-chain purchasing indirectly supported 1.2 million workers in the wider economy. This was up from 2021, due to a rise in revenues and supply-chain spending. Of these supply-chain jobs, we estimate 28 per cent to be for women, and 30 per cent to be formal jobs.

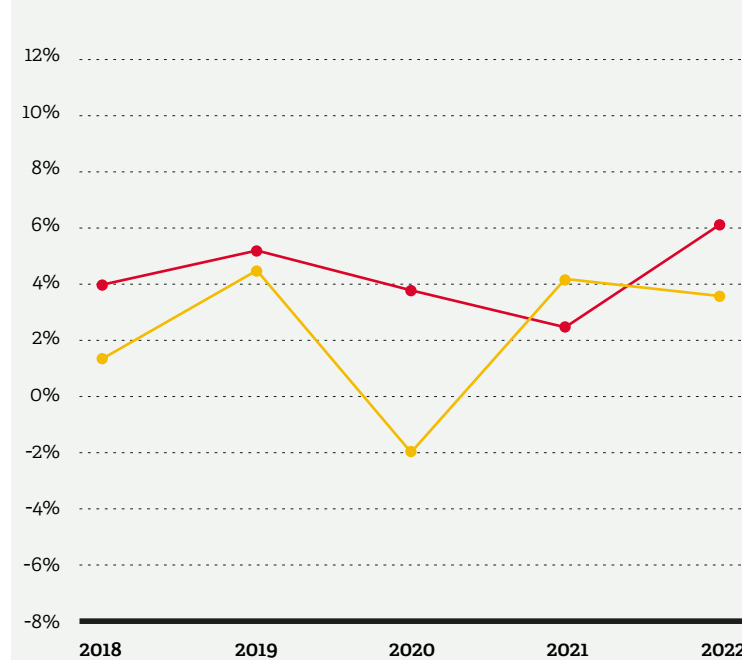
Our confidence in the reliability of these supply-chain results is relatively high.

Direct jobs supported by our portfolio



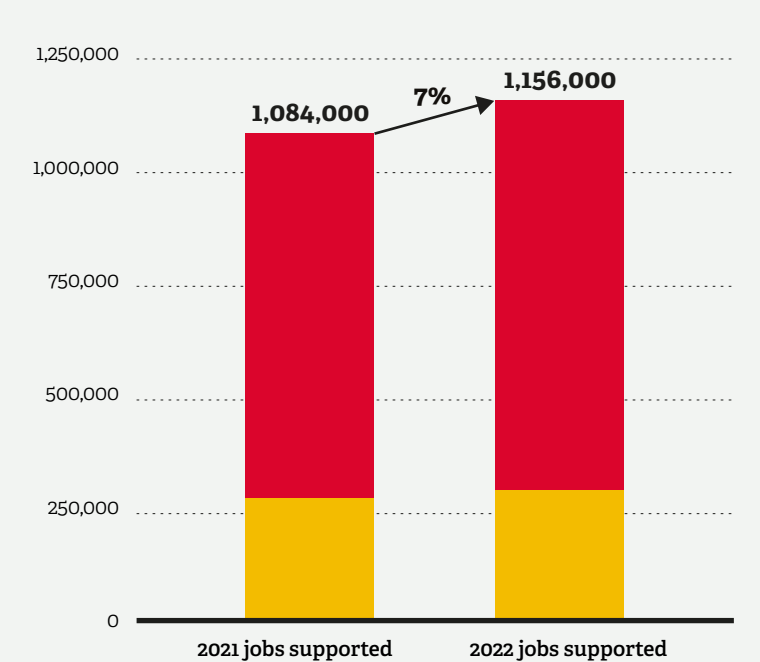
**Key**  
 ● Jobs supported at start of year  
 ● Additional jobs supported at end of year

Annual job creation rate



**Key**  
 ● BII investees' annual growth rate  
 ● BII geographies employees' growth rate (ILO)

Indirect jobs from supply chains



**Key**  
 ● Men  
 ● Women

Understanding the way we report impact data



Read full story

Supporting livelihoods continued



# Supporting livelihoods

### Employment within our portfolio

In 2022, our portfolio of businesses provided direct jobs for 958,200 people (in full-time equivalents). Of these, 311,980 are employed by businesses we

### Comparing our portfolio with the wider market

The rate of job growth in our portfolio in 2022 was 6.0 per cent, compared with a background growth rate of 3.5 per cent, according to International Labour Organisation (ILO) statistics. The annual growth

### Supporting jobs in supply chains

We estimate that in 2022, our portfolio companies' supply-chain purchasing indirectly supported 1.2 million workers in the wider economy. This was

## Understanding the way we report impact data

### economic opportunities

construction workers involved in building new assets.

growth rate. Financial services investments create much of this growth with food and agribusiness and

We know that the indirect impacts of business operations can be significantly greater than their direct impacts, whether by generating value in the economy or supporting additional employment.

To help investors understand these indirect effects, we worked with other DFIs and researchers to produce the Joint Impact Model.

**You can find further information at:**  
[jointimpactmodel.org/](https://jointimpactmodel.org/)

The indirect job numbers in this report are all estimated using that model. In our results, we don't attribute the increase in job numbers in our portfolio to ourselves – they are the total of what happens at the companies and projects where BII is one investor. This is because the results are largely due to the hard work and successes of the teams at our portfolio companies; our capital and know-how are only two reasons among many for their success.



Supporting livelihoods continued

**Supporting jobs through electricity**

In 2022, the power produced and transmitted by our portfolio of electricity companies supported an estimated 897,000 workers. This was up from 725,000 in 2021, a 24 per cent increase, thanks to greenfield assets becoming operational. Of these, we estimate 17 per cent are formal jobs.

We have moderate confidence in the assumptions made to estimate this number.

**Supporting jobs through financial services**

We estimate the credit that BII-backed financial institutions offer to businesses supports as many as eight million workers across the economies of Africa and South Asia – both in the borrowing companies and their supply chains. This is up 9 per cent on 2021, for the same group of lenders. Of these, we estimate 29 per cent of the jobs are for women, and 21 per cent are formal jobs.

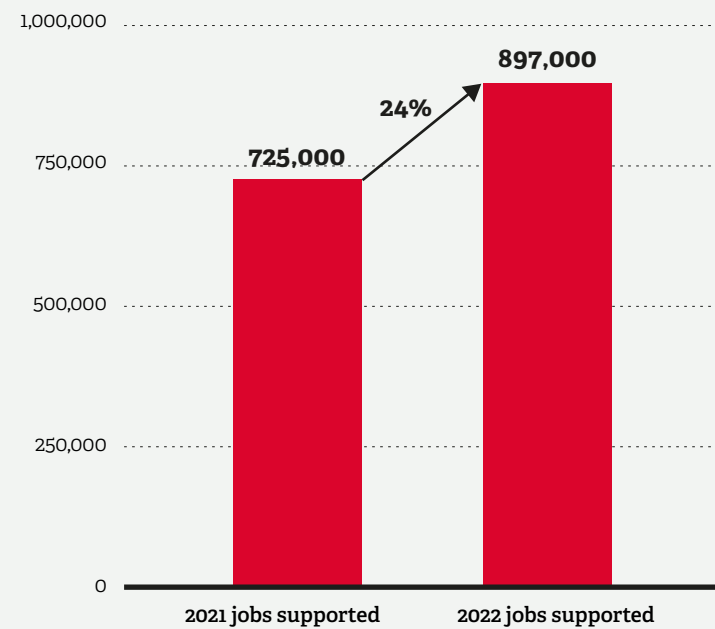
We assign a moderate level of confidence to the assumptions on how bank lending translates into jobs.

**Supporting economic activity through workers' wages**

Finally, we know that wages spent by workers on local consumption support economic activity. We estimate that local spending of wages supported 936,000 jobs. This is up 15 per cent from 2021, from increased revenues and wages. Of these, we estimate 29 per cent are for women and 23 per cent are formal jobs.

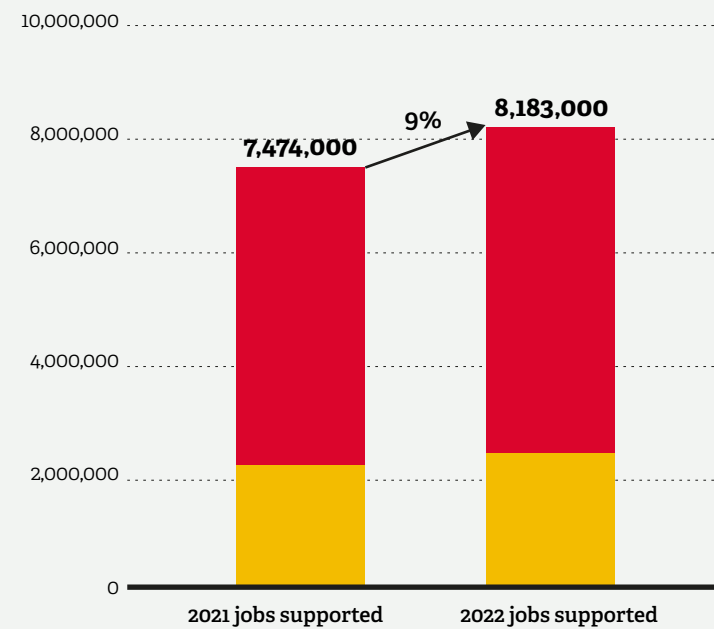
We assign a moderate level of confidence to these estimates of wage-induced jobs.

Indirect jobs from electricity



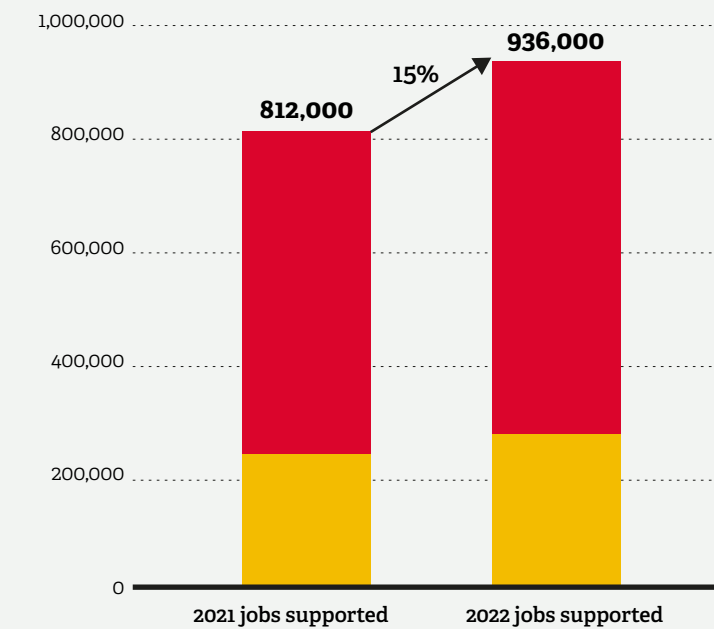
Key  
● Total jobs

Indirect jobs from bank lending



Key  
● Men  
● Women

Indirect jobs from consumption via workers' wages



Key  
● Men  
● Women



**Boosting job creation by helping businesses to grow**

**Investment name:** Ecom Express  
**Region/country:** India  
**Investment type:** Growth Portfolio

When we invested in e-commerce and logistics business Ecom Express in 2019, one of our key reasons for doing so was the company's potential to create a high number of good-quality jobs in India, where demand for employment is high. Since then, Ecom Express has rapidly increased its volumes and revenues as well as its workforce.

**Read full story**

Supporting livelihoods continued

**Supporting jobs through electricity**

In 2022, the power produced and transmitted by our portfolio of electricity companies supported an estimated 897,000 workers. This was up from 725,000 in 2021, a 24 per cent increase, thanks to greenfield assets becoming operational. We estimate 17 per cent are formal jobs.

We have moderate confidence in the data made to estimate this number.

**Supporting jobs through financial services**

We estimate the credit that BII-backed financial institutions offer to businesses supports as many as eight million workers across the economies of Africa and South Asia – both in the borrowing and lending.

Supporting jobs through financial services

**Boosting job creation by helping businesses to grow**

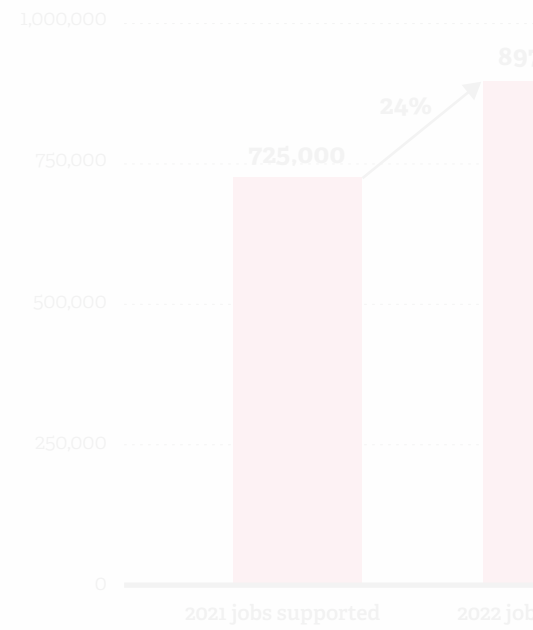
**Investment name:** Ecom Express  
**Region/country:** India  
**Investment type:** Growth Portfolio

When we invested in e-commerce and logistics business Ecom Express in 2019, one of our key reasons for doing so was the company's potential to create a high number of good-quality jobs in India, where demand for employment is high. Since then, Ecom Express has rapidly increased its volumes and revenues as well as its workforce.

This year, the business created the equivalent of over 2,000 full-time jobs for workers and staff, taking its total workforce to over 53,000 people.

As a responsible investor, we've worked with Ecom Express to improve not just the quantity but also the quality of jobs available. **Turn to page 36 to find out how we've helped the business to improve its road safety standards and reduce serious incidents by implementing a road safety programme for its drivers.**

Indirect jobs from electricity



Key  
 ● Total jobs





**All sectors that we invest in contribute to improving productivity and development. Whether it's ensuring populations are healthier through better access to medicines and health services, or better equipping farmers to increase their yields, we continually look for ways to support improvements.**

**You can explore all our impact data on our website** [bii.co.uk/en/our-impact/key-data/](https://bii.co.uk/en/our-impact/key-data/)

# Supporting productivity across sectors

## Food and agriculture

The food and agriculture sector is crucial to the economies of the countries where we invest, accounting for 50 to 60 per cent of employment, direct or indirect, in these regions. Despite advances in agricultural productivity in recent years, the markets where we invest continue to experience low farm yields and fragmented supply chains, which can be further affected by commodity price volatility.

Our investments in food and agriculture aim to create economic opportunities, support inclusive and good-quality jobs and livelihoods, improve nutrition and food security, and improve environmental sustainability.

This year we're reporting a significant increase in the number of farmers reached by our portfolio. The food and agriculture investments in our portfolio reached around ten million farmers in 2022, whether as suppliers of crops, livestock or timber, or as customers for inputs such as feedstock.

**9.9 million**  
farmers reached by our portfolio in 2022

The largest proportion of the increase is through our investments in agri-tech companies that are reaching very large numbers of farmers digitally. The increase has come from both new investments and companies that are reporting data to us for the first time. The services provided by these agri-tech companies are making an impact by providing farmers with vital information that helps them increase their incomes such as latest market pricing, so there's more transparency in the sales chain, or access to better farming methods and products to help increase yields.

## Healthcare

We focus on investing in healthcare systems in a way that positively contributes to the development of the sector, particularly with regard to expanding the access and affordability of healthcare. This could include investing in the manufacturing of medicine, vaccines, devices and equipment; pharmacy and retail logistics; treatment and delivery; or early-stage funding for research and development and health-technology companies.

In 2022, our investees served just under 13 million patients. This is a slight increase on 2021, driven by companies reaching more patients than last year, as well as some companies reporting data to us for the first time. Additionally, we reached over 30 million patients through our investments in health technology and laboratories.



## Providing a market for small-scale farmers

**Investment name:** Zambeef  
**Region/country:** Zambia  
**Investment type:** Growth Portfolio

We invested \$65 million in Zambeef, an agribusiness in Zambia, in early 2016. It was our first direct equity investment in the country since the early 2000s, and supports a major employer in the country, with Zambeef providing jobs for over 7,500 people.



**Read full story**



All sectors that we invest in contribute to improving productivity and development. Whether it's ensuring populations are healthier through better access to medicines and health services, or better equipping farmers to increase their yields, we continually look for ways to support improvements.

You can explore all our impact data on our website [bii.co.uk/en/our-impact/key-data/](https://bii.co.uk/en/our-impact/key-data/)



### Providing a market for small-scale farmers

**Investment name:** Zambeef  
**Region/country:** Zambia  
**Investment type:** Growth Portfolio

We invested \$65 million in Zambeef, an agribusiness in Zambia, in early 2016. It was our first direct equity investment in the country since the early 2000s, and supports a well-known brand and major employer in the country, with Zambeef providing jobs for over 7,500 people.

Zambeef is a large and well-known agribusiness in Zambia that produces, processes and distributes different products – from animal protein, such as beef and chicken, to crops, including wheat, maize and soybeans. It operates its own farms as well as working with a large network of farmers, the majority of whom are small-scale producers. It also has a chain of retail outlets that operate across the country, including in areas that lack access to other formal retail providers.

Since we first invested, we have supported the company in significantly expanding the number of farmers it procures from. This has increased from 10,000 farmers in 2016 to 53,000 in 2021. It means the company is providing a much-needed route to market for more farmers, supporting jobs and livelihoods.

In addition to Zambeef being a major customer for these farmers, they also benefit from the support Zambeef provides. This includes advice on increasing crop yields and caring for livestock, as well as providing up-to-date price information and help in treating cattle diseases in remote areas. Ultimately, this leads to greater scale and quality of output for these farmers, further improving their incomes and livelihoods.

# Impact on the local economy through tax payments

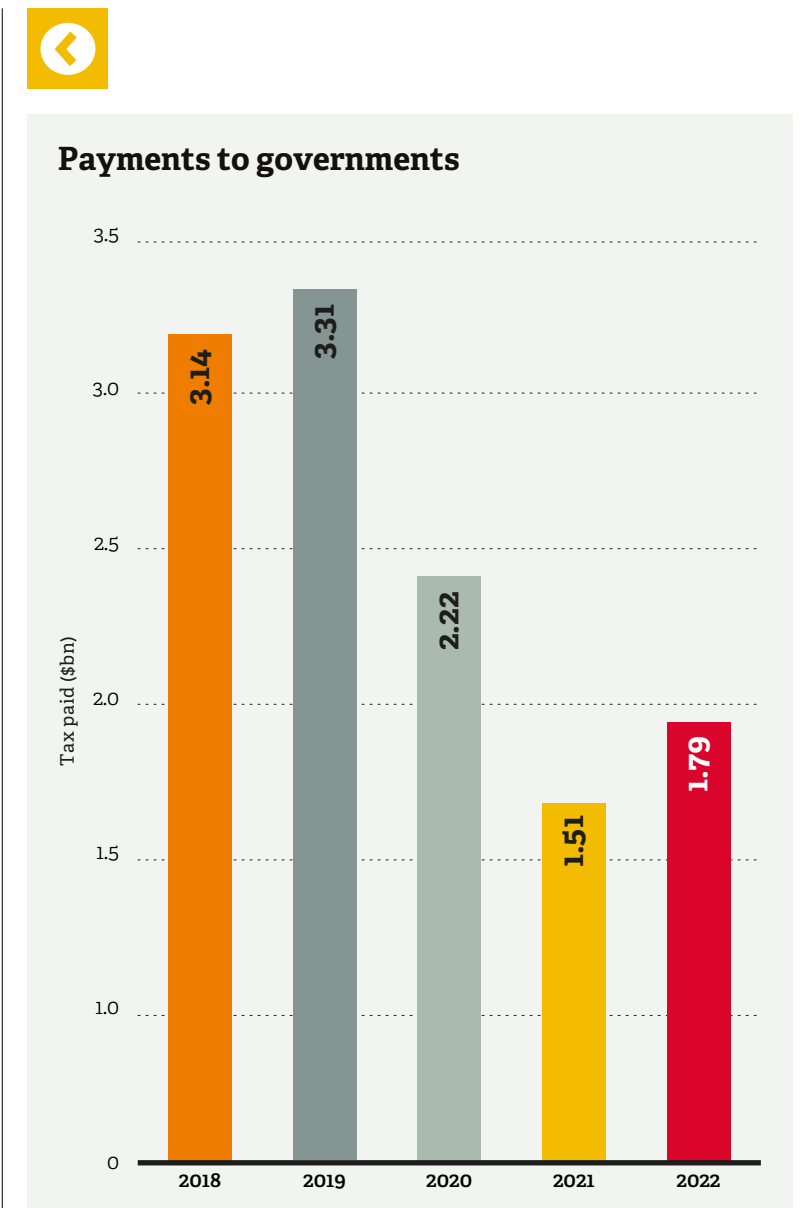
Our portfolio businesses reported **\$1.79 billion** tax payments in 2022



No country has escaped poverty without a thriving private sector playing a full role in developing a strong economy that will generate the tax receipts that help governments build infrastructure and provide public services.

In 2022, our portfolio businesses reported tax payments of \$1.79 billion, up slightly compared with 2021, stabilising after a five-year declining trend. The previous trend was largely due to us exiting some major tax-generating businesses, which had successfully contributed to their local economies. The trend has now stabilised, as the loss of tax payments from businesses we have exited has been offset by new tax payments from businesses we have recently invested in.

Under our current strategy, our focus on sustainability and financial additionality has led to more pre-profitable and renewable investments which do not pay tax – currently making up 33 percent of the total portfolio. This has been compounded by a slower growth environment, meaning that tax payments from profits will take longer to be realised in new investments.







# How does investing for sustainability create a better tomorrow?



We're addressing the climate emergency by helping economies reduce greenhouse gas emissions, protect the environment, increase climate resilience, and contribute to a greener, cleaner planet.

# Investing for clean growth

In 2022 we committed **£591 million** in climate finance

**46%** of our commitments in 2022 were climate finance



**The latest report from the UN’s Intergovernmental Panel on Climate Change has a clear message: now is the time to act to secure a sustainable future for us all.**

Many countries where we invest are among the most vulnerable to climate change and are already feeling its effects. This year in Pakistan the severe floods that left a third of the country submerged, millions of families devastated and caused over \$30 billion of damage, have been linked to climate change.

We know there’s no time to waste. That’s why, in 2022, we continued to step up to achieve the ambitions set out in our Climate Change Strategy and 2022 – 26 Technical Strategy. In doing so, we demonstrated our role as a leading climate investor in Africa and Asia.

In 2022, we committed £591 million in climate finance, or 46 per cent of our total commitments. Our target, over the next five years, is for at least 30 per cent (over a five-year rolling basis) of our total new commitments by value to be in climate finance.

The businesses we backed will help economies reduce emissions, protect the environment and adapt to the changing climate. They include businesses such as Scatec, which will provide solar and battery storage technology in South Africa, where access to reliable power is urgently needed to mitigate the country’s energy crisis, where the

electricity supply keeps being interrupted to avoid overloading the grid. **+ You can read more about these investments on the following pages.**

During the year, we also made progress on new areas of ambition set out in our 2022 – 26 strategy. At the end of 2021, we announced our plans to start providing climate finance in the Indo-Pacific region over the next five years, with an emphasis on green, renewable infrastructure. To achieve that goal, in 2022, we established a presence and opened an office in Singapore. This enabled us to develop our local knowledge of impact-led investment opportunities which will lead to our first investment in the region, in 2023.

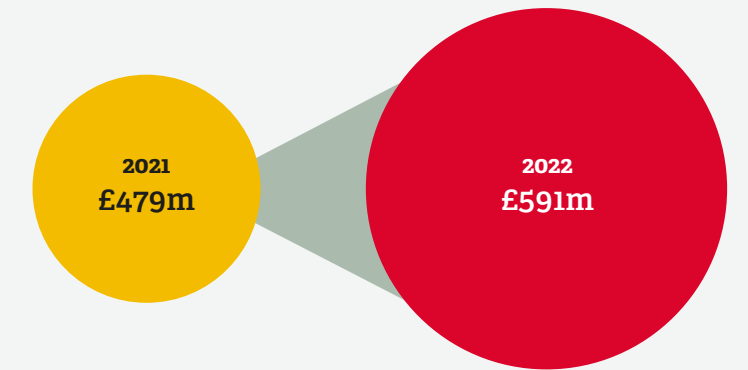
Another highlight, towards the end of the year, was the COP27 Climate Change Conference in Sharm-el-Sheikh. Reaching net zero and building climate-resilient economies will only be achieved through collaboration. Every year, the conference is a vital opportunity for global leaders to come together to strengthen collective action.

For our part, we were pleased to announce several new partnerships during the conference, including one with Metito to increase water security across Africa, **+ which you can read more about on page 28.** We also launched our new guidance on transition finance in Africa, which we developed with a consortium of financial institutions. **+ You can read more about it on page 26.**

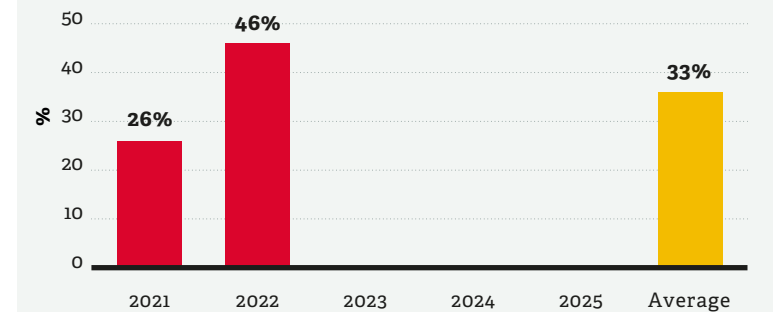
Finally, we also continued to make and support investments under the Climate Innovation Facility, which is part of our recently introduced ‘Kinetic Portfolio’, designed to enable us to invest and manage concessional investment strategies.

**+ You can read further information about the Climate Innovation Facility and the Kinetic Portfolio on page 38.**

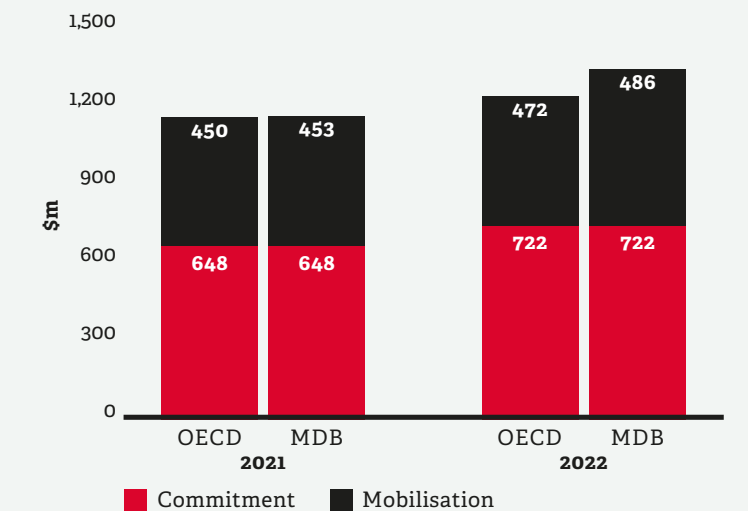
**Climate finance commitment (£m)**



**Climate finance as share of total commitment since launching our Climate Change Strategy (%)**



**Climate finance mobilised (\$m)**



The figure for climate finance mobilised is calculated in dollars instead of sterling to align with recognised methodologies for calculating mobilisation.

Investing for clean and inclusive growth continued



## Emerging Economies Climate Report

In 2021 we launched our first Emerging Economies Climate Report, to help understand the extent to which the climate emergency is affecting companies, how they are responding, and what more can be done to support them as we move to a greener future. We surveyed senior executives working across our portfolio in Africa and Asia.

A year is a long (and critical) time in the climate crisis. Since we published our 2021 report, the scale, urgency and complexity of the challenge has become clearer, as have the tools we need to meet it.

The results of our 2022 research show that climate change is becoming an increasingly significant concern for businesses and investors in Africa and Asia. Over half of respondents have experienced an extreme weather event, 68 per cent said climate change is affecting their business today, and 56 per cent think climate change will affect the viability of their business in the next five years. They also highlight the difficult decisions climate change is presenting to firms, and what they need to tackle the crisis effectively.

[Read the full report](#)

**68%**

of respondents said climate change is affecting their business today

**58%**

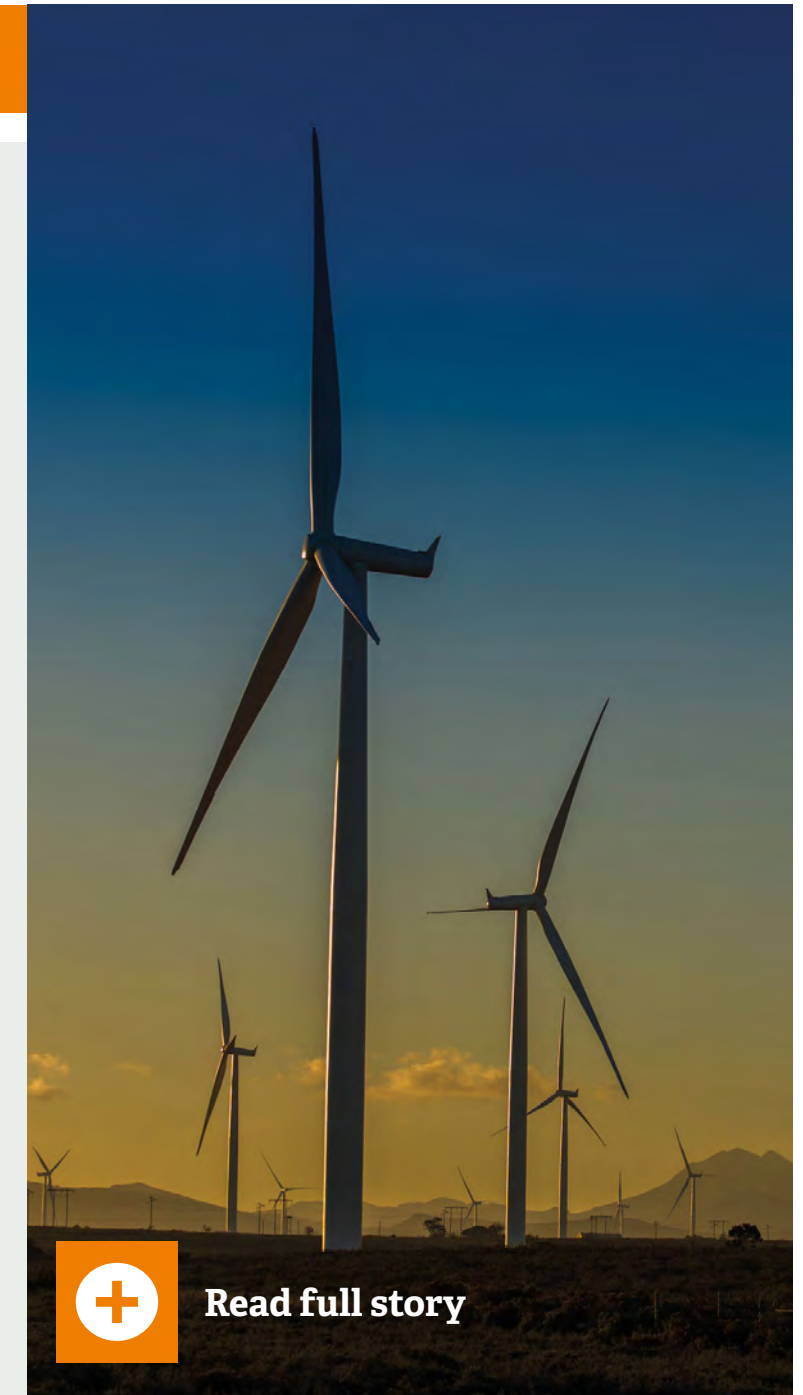
of respondents have experienced an extreme weather event – up from 48 per cent last year

## Reporting on our climate impact

We report against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the main international framework for integrating climate change opportunities and risks into the operations of financial institutions and businesses. Since 2019, as recommended by the TCFD, we have been developing our strategy, governance, risk management and metrics to assess and manage climate-related risks and opportunities.

**You can find our disclosure statement in our [Annual Accounts](#).** We report on metrics including: our portfolio exposure to climate-related opportunities and carbon-related assets, greenhouse gas emissions of our investment portfolio and our climate-finance target. It highlights our advances in 2022 – such as our work to develop a net-zero transition strategy – and provides insights on key areas of work ahead.

**▶ You can find data from the disclosure statement in the story on the right and throughout this section of the Annual Review.**



[+ Read full story](#)

Investing for clean and inclusive growth continues



68%

of respondents said climate change is affecting their business today

**+** You can read more about the metrics and targets which guide our Climate Change Strategy in the Taskforce for Climate Related Financial Disclosure section of our Annual Accounts

### Portfolio by climate finance vs carbon-related assets

Our financial exposure to climate finance-qualifying assets has increased since 2020, driven by new climate finance investments such as renewable energy generation, certified green buildings, and climate adaptation solutions.

Our financial exposure to carbon-related assets has declined since 2020, driven predominately by a decline in our financial exposure to oil and gas assets through trade and supply chain finance facilities and exits from some legacy investments.

	Portfolio (£m)			Portfolio (\$m)			Share of portfolio (%)		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Carbon-related assets	665	605	*	910	818	*	12.6	9.9	*
Climate finance assets	812	1,038	1,433	1,109	1,402	1,732	15.4	16.9	20.9

\* Due to commercial sensitivities, the 2022 figure will be disclosed in due course. However, we are now able to disclose the 2021 year-end figure, which was withheld last year for similar reasons.

### The carbon footprint of our portfolio

Between 2020 and 2021, our portfolio carbon emissions, attributed by our investment share, fell by 8 per cent.\* This has been driven by investments entering our portfolio being, on the whole, less emissive than historical assets. Other drivers include lower attribution factors as debt reaches maturity and leaves our portfolio; and the exits of highly

greenhouse gas emissions-intensive assets. This is also reflected by the decrease in our portfolio emissions intensity which fell by 47 per cent between 2019 and 2021.\* Another contributing factor is investments leaving our portfolio, including the exit of some highly greenhouse gas emissions-intensive assets.

2020 attributed emissions ('000/tCO <sub>2</sub> e)	2021 attributed emissions ('000/tCO <sub>2</sub> e)	Percentage of year-on-year change
2,493	2,293	-8%

	Emissions intensity (tCO <sub>2</sub> e/\$ millions)	
	2020	2021
Total	493	347
Year-on-year change	-25%	-30%

\* We attribute our emissions using the Partnership for Carbon Accounting Financials (PCAF) standard.  
 \* For 2021, we were able to calculate our attributed financed emissions for all direct investees and financial institutions, as well as for 55 per cent (by number) of the companies we hold through funds. In future, we will seek to improve emissions data reporting to cover the rest of our portfolio, namely the remaining 45 per cent (by number) of companies we hold through funds. The remainder of our portfolio for which we do not yet calculate financed emissions comprises trade and supply chain finance, for which there is not yet an established financed emissions accounting methodology.



**Investment decisions today affect emissions tomorrow. That's why a key pillar of our Climate Change Strategy is to invest in line with the 1.5°C temperature goal of the Paris Agreement.**

# Investing for a net-zero world

**We're continuing to grow our renewable energy portfolio by backing firms that will deliver clean, reliable energy to communities and businesses. This year, we made significant investments in projects such as Scatec's South Africa renewable energy technology project, which will be Africa's largest, and South Africa's first, baseload renewable energy project, combining solar and battery energy storage to provide clean power to the national grid.**

We also made a follow-on commitment to Fourth Partner Energy, a leading renewable energy company for commercial and industrial businesses. This investment builds on our earlier 2021 investment. It will fund approximately 294 megawatts (MW) of greenfield renewable generation capacity across India, Sri Lanka, Bangladesh, Indonesia and Vietnam, and the added capacity will help avoid nearly 400,000 tonnes of carbon dioxide emissions annually.

There have also been exciting developments in our existing portfolio. Infrastructure projects take many years to develop from the point of investment, through construction, to coming online. This year, several projects in our portfolio started generating clean energy.

In Pakistan, for example, four projects – one solar and three wind – became operational. Together, these projects have added a combined total of 250 MW of clean and affordable power to the Pakistan national grid, supplying power to the equivalent of an estimated 440,000 residential

consumers. Moreover, the fully operational projects will help avoid the equivalent of 402,000 tonnes of carbon dioxide emissions per year, displacing power from fossil fuels.

Developments such as this have helped to increase the overall amount of total power generated and distributed by our investments. In 2022, 49 per cent was from renewable sources such as solar, wind and hydro. This proportion increased from 37 per cent in 2021.

We also calculate the level of emissions avoided due to the renewable energy generated by our investments. According to our most recently available data, in 2021 we avoided 648,000 tonnes of carbon dioxide equivalent emissions. This is attributed to our investment share and equivalent to 144,200 petrol-powered passenger vehicles driven for one year.

While the energy sector has an important role to play in reducing carbon emissions, achieving net zero by 2050 needs businesses across all sectors to adopt green solutions that both fulfil their business needs and contribute to a sustainable future.

This year, we backed a partnership with Mahindra & Mahindra to accelerate the availability and adoption of electric vehicles in India and other markets. In India, this will be critical to supporting the country in reaching its emission targets as well as improving air quality in many urban areas. Mahindra will play a central role in the decarbonisation of the automotive industry in India and elsewhere.

Another example of a new investment is our green loan to Pubali Bank in Bangladesh, which will help increase funding to corporates for renewable energy and net-zero transition projects. The funding will primarily be used for projects in renewable energy, green buildings and energy efficiency in the textile and manufacturing sectors.

We have also supported innovative green finance. We partnered with Symbiotics to launch the first-ever 'green basket bond' across Africa and Asia, which will finance small-scale green projects and businesses, funded through local micro, small and medium enterprise banks.

## Supporting financial institutions to reach net zero



While green finance is now a relatively well-understood term, transition finance is a new concept. It is a way of classifying and structuring financial support to activities that are part of the path to net zero, even if the activities have higher carbon emissions today...

[Read full story](#)



# Investing for a net-zero world

While the energy sector has an important role to play in reducing carbon emissions, achieving net zero by 2050 needs businesses across all sectors to adopt green solutions that both fulfil their business needs and contribute to a sustainable future.

This year, we backed a partnership with Mahindra & Mahindra to accelerate the availability and adoption of electric vehicles in India and other markets.

## Supporting financial institutions to reach net zero



While green finance is now a relatively well-understood term, transition finance is a new concept. It is a way of classifying and structuring investment to activities that are part of the path to net zero even if those activities have higher carbon emissions today.

Given that the whole economy will need to change, we believe that transition finance will be a vital tool for financial institutions. It will help them to classify, structure and ultimately extend financial support to higher-emitting sectors with the goal of supporting activities that will accelerate progress to the 1.5°C-aligned transition to net zero.

Over the year, we worked with Ninety One, the Oxford Sustainable Finance Group and the Blended Finance Taskforce to co-develop a Practitioner's Guide to Transition Finance in Africa. It puts forward a practical approach

for financial institutions to align their financial flows for net-zero and climate-resilient development. The guide is our first step in helping financial institutions to do this confidently.

At COP27, we launched the Practitioner's Guide to Transition Finance as a tool to ensure net-zero commitments from financial institutions achieve real change and development in Africa.

[Read the guidance](#)

*Transition finance is a way of classifying and structuring investment to activities that are part of the path to net zero, even if those activities have higher carbon emissions today.*


term, transition finance is a new concept. It is a way of classifying and structuring financial support to activities that are part of the path to net zero, even if the activities have higher carbon emissions today..

[Read full story](#)

# Leaving no one behind in the shift to a green economy

**The transition to a green and resilient economy provides an opportunity to also build a fairer and more inclusive economy. Each country will have its own transition pathway to net zero. It's vital that these transitions create new and decent jobs, and involve measures to avoid stranding workers and communities. This is known as a 'just transition'.**

In emerging economies that are heavily dependent on fossil fuels, there's a critical need for a 'just energy transition' as countries decarbonise and shift to renewables. In 2022, we engaged South African private and public-sector stakeholders on potential investing opportunities for delivering South Africa's Just Energy Transition Partnership. We also coordinated activities across the development finance and philanthropic communities to develop understanding of these. In addition, we're a supporter of the Just Transition Finance Challenge, an initiative launched by the UK Impact Investing Institute to mobilise more public and private capital into investments that support a just transition to net zero.

Within our own portfolio, 37,500 full-time equivalent workers are employed by climate finance investees. This includes businesses such as Fourth Partner Energy,  **which you can read about on page 26.** In addition, projects in our portfolio supported 4,030 temporary construction workers involved in building new green assets.

In India, we've been supporting the development of the green economy through the clean energy sector – such as Ayana Renewable Power, a renewable energy platform we launched in 2018. Through our technical assistance facility, BII Plus, we've worked with Ayana to support skills development for young people living in rural communities in Andhra Pradesh and Rajasthan to help prepare them for future employment in the renewable energy sector. In the first phase of the project 184 young people received training, and over 150 have since found jobs in the solar energy sector.

We know we can't act alone, so beyond the initial phase of the project, Ayana is also exploring opportunities to collaborate with other developers in the region to ensure this initiative has a wider impact.



# Strengthening adaptation and resilience

Some of the negative impacts from climate change are already inevitable, particularly for the most vulnerable populations. Therefore, it's important that we invest to adapt and become more resilient to climate change. The UN estimates that this could require \$330 billion every year by 2030, making private-sector investment in adaptation and resilience vital. We're investing in businesses that strengthen resilience to climate change across all sectors, from infrastructure to agriculture.

➤ You can read about two examples of such businesses from our portfolio – Africa Water Infrastructure Development (AWID) and Apollo Agriculture – in the case studies on this page. Alongside new investments, we've also been supporting businesses across our portfolio to build resilience to climate change. Since 2021, we've worked with WWF to develop its Water Risk Filter tool. This helps companies and investors assess and respond to water-related risks throughout their operations, value chains and investments. In 2022, in partnership with WWF and with support from BII Plus, we piloted an upgraded version of the tool on a subset (11 per cent) of our portfolio, to map the water-related risks for each business.

We know that doing this work in isolation is not enough. Beyond our own portfolio, partnerships and collaboration are vital. We continue to play a role in the Adaptation & Resilience Investors Collaborative, a group of DFIs working together to increase investment in climate adaptation and resilience. This year, the UN Environment Programme Finance Initiative (UNEP FI) was appointed to run the Collaborative's Secretariat. It will run the Collaborative's planned activities, and provide a progress update on our work so far and future plans.



## Strengthening water infrastructure across Africa

**Investment name:** Africa Water Infrastructure Development Limited  
**Region/country:** Pan-Africa  
**Investment type:** Catalyst Portfolio

Water insecurity is a critical development challenge in Africa. Climate change is expected to reduce water availability and increase the extent of water scarcity, exacerbating existing water-related vulnerabilities caused by other socio-economic factors.

We've joined forces with Metito Utilities Limited, a global investor and operator of water, wastewater and alternative energy management solutions, to launch a new company Africa Water Infrastructure Development (AWID), a first-of-its-kind platform to develop climate-smart water projects at scale and to increase water security across Africa.

The new platform, AWID, will finance water and wastewater treatment plants as well as develop and construct world-class facilities that will help increase access to sustainable, safe and reliable water, with a clear focus on countries that are most vulnerable to the climate crisis.

An operational bulk surface-water treatment plant in Kigali, Rwanda, forms the first asset on the new platform. The 40,000 cubic-metres-per-day plant is currently providing over 25 per cent of the city's potable water supply, meeting the needs of 500,000 domestic, commercial and industrial consumers. The Kigali water treatment plant is a public-private partnership (PPP), the first of its type under this business model in sub-Saharan Africa outside of South Africa.



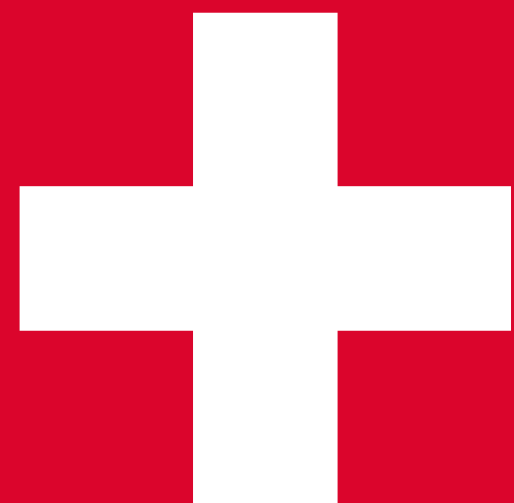
## Helping farmers weather a changing climate

**Investment name:** Apollo Agriculture  
**Region/country:** Kenya  
**Investment type:** Catalyst Portfolio

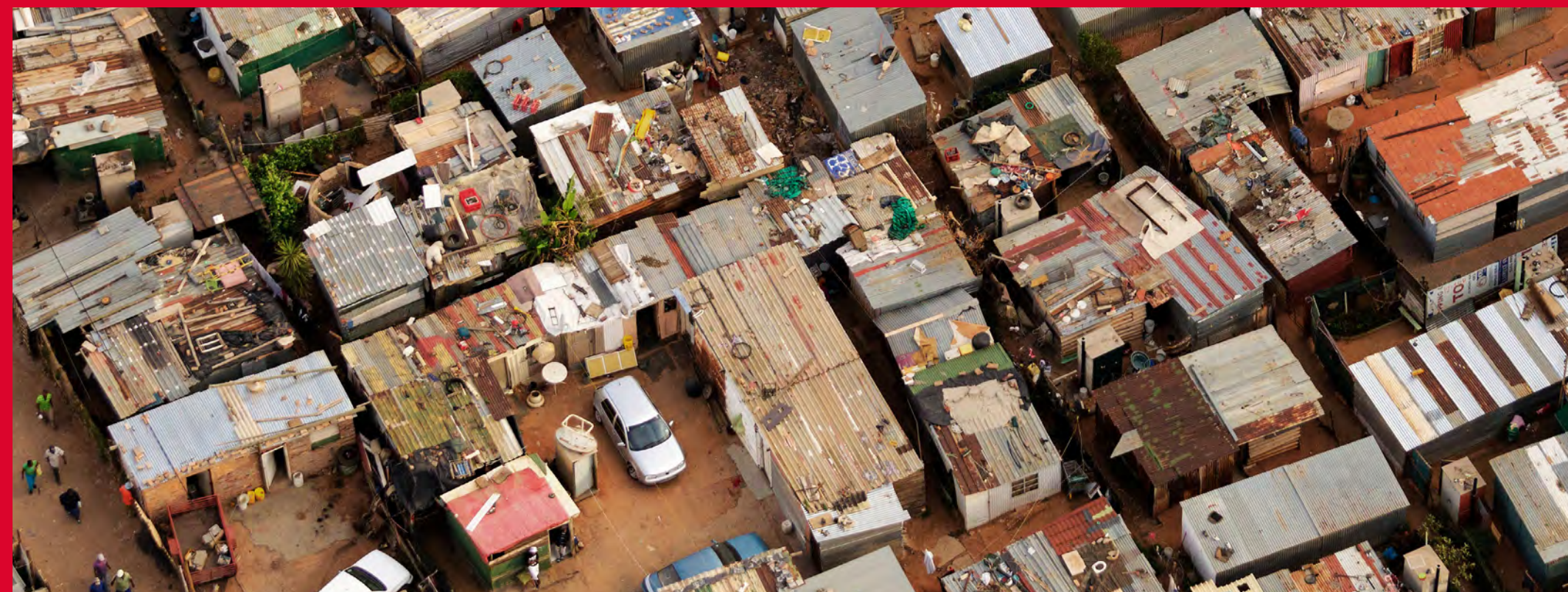
Smallholder farmers are particularly vulnerable to the effects of climate change.

[+ Read full story](#)





How does  
**inclusive  
development**  
create a better  
tomorrow?



We're investing to ensure the benefits of higher productivity and greater sustainability are shared with the poorer and more marginalised sections of society.

# Supporting inclusive growth

**Through our investments we aim to narrow inequalities and support economic opportunities for all.**

A central commitment of the Sustainable Development Goals is to “leave no one behind”. We will not achieve this without addressing several significant and widespread challenges. For example, women currently face numerous barriers to work, with participation rates for the female labour force in Africa and Southern Asia at around 60 per cent and 25 per cent respectively, compared with 70 per cent and 80 per cent for men. Even whole countries can be marginalised – through fragility and conflict – which is not just a human calamity, but an ongoing economic and security risk to whole regions.

Since we were first founded in 1948, we’ve sought to improve economic development and opportunities for people living in the countries where we invest. To ensure development is inclusive, it’s essential that the benefits of higher productivity and greater sustainability are shared with the poorer and more marginalised sections of society.

Through our investments, we aim to narrow inequalities and support economic opportunities for all. We do this in several ways, including by promoting gender equality and diversity; by strengthening investment in low-income and fragile countries; and by investing to support low-income populations.



# Promoting gender equality and diversity

**£640 million**  
invested in 2X qualified  
businesses in 2022

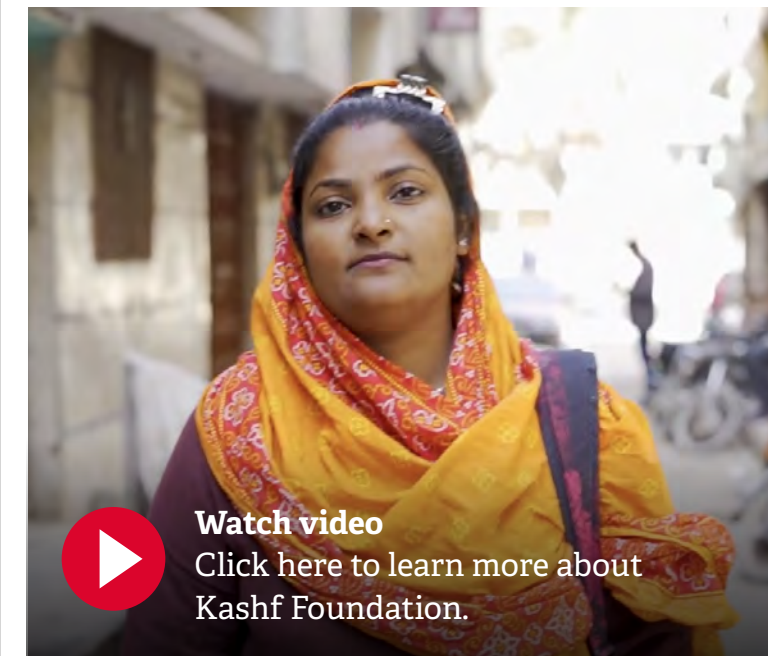
**50%**  
of our investments in 2022  
qualified for the 2X Challenge

As a leader in the field of gender-smart investing, this year we continued to pursue our ambition to support women's economic empowerment. A key way we do this is by investing in companies where women are meaningfully represented as leaders, employees, customers and entrepreneurs, and which have gender-inclusive workplace cultures, policies and practices.

In our 2022 – 26 strategy, we set a target for 25 per cent of all new investments each year to qualify under the 2X Challenge, a joint initiative to boost financing for women. This year, we have significantly exceeded this target. We invested £640.3 million in 2X-qualified businesses in 2022, 50 per cent of our total commitments.

This includes investments in businesses such as Aavas Financiers, where our targeted financing will support women's access to affordable housing finance. This will encourage increased female property ownership across India, where only 9 per cent of households have a female legal owner and 52 per cent of households have no female involvement in decision-making about housing finance.

As well as our new investments, the gender-smart businesses in our existing portfolio continue to have an impact. One example is Kashf Foundation, a leading microfinance institution in Pakistan. Kashf provides female entrepreneurs with the finance they need to grow their businesses and improve their livelihoods. When we first invested in the company in 2020, Kashf had 490,000 customers. Since then, supported by our investment, Kashf has opened 57 new branches and expanded to reach 639,000 customers by the end of 2022. **+ Another example is TradeDepot, which you can read about on the following page.**



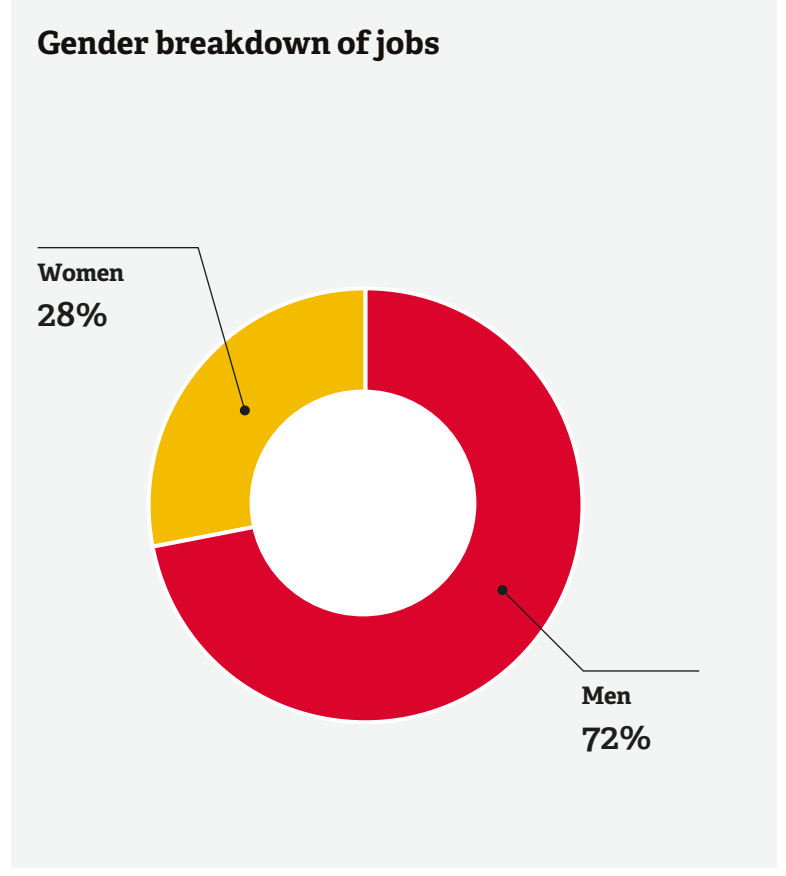
**Watch video**  
Click here to learn more about Kashf Foundation.



Promoting gender equality and diversity continued

Another way we invest in women is by helping companies in our portfolio to implement gender-focused initiatives, such as improving female representation and inclusion in the workforce, or tailoring products to more effectively respond to women's preferences and needs. We've been working with BetterPlace, the largest blue-collar worker platform in India, which seeks to empower workers by giving them opportunities for job growth and upward social mobility, and access to credit and health insurance. Through our technical assistance facility, BII Plus, we are funding BetterPlace's pilot programme to train 100,000 women over 18 months via its app, and provide placement interviews for 50,000 women. The goal is to increase their hourly earnings by 10 per cent. BetterPlace has kicked off the market-research phase of the project, to identify aspirational jobs for women and the 'skills gap'. This will inform the app's development and create a pipeline of women to participate in the programme, who could eventually be placed in those jobs.

*Another way we invest in women is by helping companies in our portfolio to implement gender-focused initiatives, such as improving female representation and inclusion in the workforce.*



A new area for us is our commitment to increase the representation of businesses owned and led by black Africans in our sub-Saharan Africa portfolio. As this is a new area for us, this year we have focused on mapping our existing portfolio and pipeline, to identify challenges and opportunities. The goal is to back more companies such as H1 Capital, a Broad-Based Black Economic Empowerment (B-BBEE) developer focused on investing in, developing and operating renewable power projects. The business, in which we made a second investment this year following our initial investment in 2021, is helping improve access to clean, reliable power in South Africa.



*“When I do not have money to buy goods they always merge me with someone and deliver goods for me and they deliver it to my doorstep which removes my stress of going to the market and I would have saved the transport. These are some extra gains for me money wise and I can see better profit at the end of the day.”*

Female TradeDepot customer

**Enhancing opportunities for small business owners in Nigeria**  
**Investment name:** TradeDepot  
**Region/country:** Nigeria  
**Investment type:** Catalyst Portfolio

TradeDepot is a Nigerian online marketplace that connects small retailers with suppliers of consumer goods. Women represent 65 per cent of distributors and 85 per cent of micro-retailers on the platform. What's more, TradeDepot offers retailers digital wallets and lines of credit, presenting a key opportunity to enhance women retailers' financial inclusion in a country where only 31 per cent of women have bank accounts compared with 61 per cent of men.

We're working with TradeDepot to identify ways to further increase the firm's impact. This includes commissioning an evaluation of how the company is currently impacting customers' lives, which will help to inform how TradeDepot can enhance its impact in future. This business is just one example of an increasing number of exciting gender-smart investments coming through our pipeline since we made gender a central part of our strategy.

# Supporting countries most in need

While many of the countries in Africa and Asia are low-income, fragile or both, we assign a higher priority to investments in the poorer and more fragile countries, where there are low levels of investment in the private sector and where it is hard to do business. From experience, we know that investing through regional companies and platforms or specialist intermediaries is an effective way to invest in smaller fragile and extremely fragile countries.

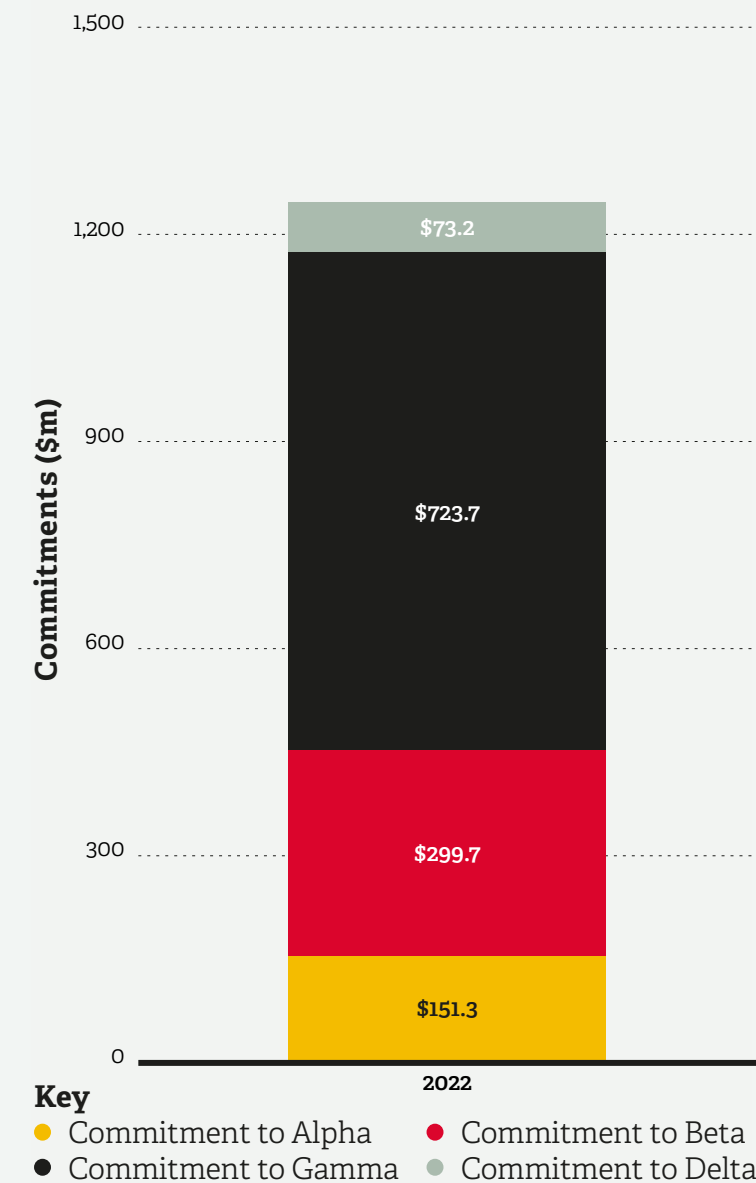
One example is Gridworks, a development and investment platform we set up to address the underinvestment in electricity transmission, distribution and off-grid infrastructure in Africa. In 2022 Gridworks announced plans to invest up to \$50 million in Virunga Power, to bring clean, renewable power to rural communities in places such as Burundi, where only 12 per cent of the country has access to electricity – one of the lowest rates in Africa.

Gridworks is also developing a project in the Democratic Republic of the Congo, where only 19 per cent of people have access to reliable power. That figure is just 1 per cent for people living in rural areas. Moyi Power – a project Gridworks is developing with partners Eranove and AEE Power – will bring solar-generated electricity to three cities in the north of the country – Bumba, Gemena and Isiro – that currently don't have access to grid electricity and where people tend to rely on diesel generators.

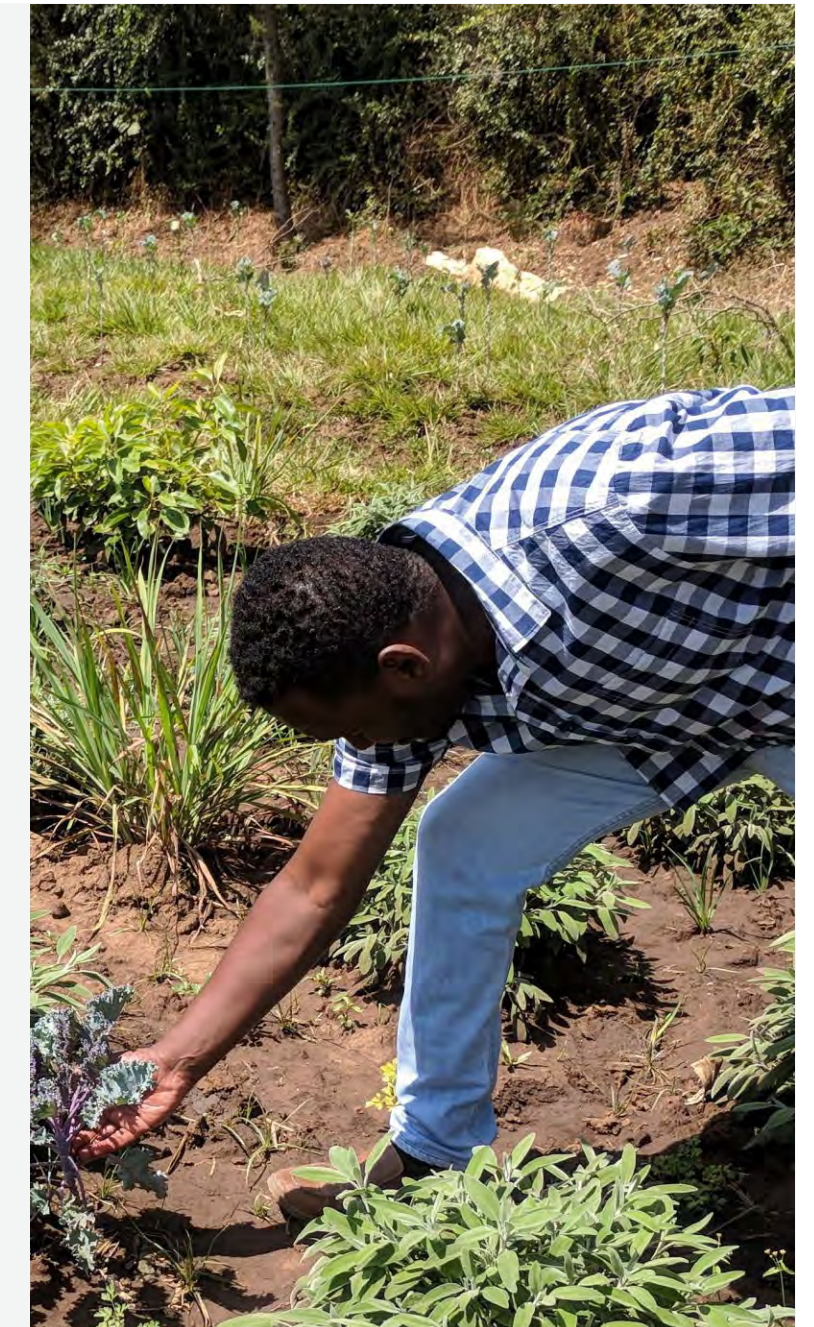
The project is currently in the development phase. During 2022, vital feasibility work was carried out, including environmental and social assessments, electricity network designs and tariff studies. Government approvals and licensing processes will take place during 2023 as well as debt financing. Construction is expected to commence in 2024.

In 2022, we made \$451 million of commitments to Alpha and Beta countries. This included making our first investment to directly benefit the people of Sudan. Ongoing conflict has devastated parts of the country and is estimated to have displaced around 700,000 people. Macroeconomic challenges, higher international sourcing costs, and recent climate-related events, such as severe drought and flooding, have already led to food shortages in Sudan and the region. Even before the most recent conflict broke out, the UN estimated that more than 11.7 million Sudanese people, or 24 per cent of the population, were experiencing crisis levels (or worse) of acute food insecurity. We're supporting DAL Group, a leading food and agriculture business in Sudan, with the long-term working capital required to import wheat and boost the supply of flour to thousands of bakeries, retail outlets and businesses, enabling the consistent flow of staple food products for millions of Sudanese people.

Commitments to countries most in need in 2022



Under our new strategy, we have sharpened how we consider the inclusivity of every new investment we make. As part of our Impact Score, we rank all the countries we invest in from 'Alpha' to 'Delta' according to their GDP per capita, fragility measures and poverty gap. Alpha is the most in need and Delta the least. Alongside country-level classification, our new strategy drives us to focus on reaching low-



income populations within the countries we invest in. For example, even though Nepal and South Africa are classified as 'Gamma' countries, they have significant populations living in poverty. This approach of looking both within and across countries brings a more sophisticated approach to tackling uneven development. A detailed breakdown of our approach to country segmentation is available in our [Impact Score](#).

# Strengthening adaptation and resilience

## Helping farmers weather a changing climate

**Investment name:** Apollo Agriculture  
**Region/country:** Kenya  
**Investment type:** Catalyst Portfolio



Smallholder farmers are particularly vulnerable to the effects of climate change. Rising temperatures and unpredictable weather patterns are affecting yields, as well as which crop varieties they can grow. Without innovation and new tools, small-scale farmers and communities will face major threats to maintaining their livelihoods, food systems and economies.

Apollo Agriculture is a technology firm that helps farmers address this challenge. Apollo provides farm financing as part of a bundle of agri-services, including farming resources, advisory, climate insurance and market access, which improve returns for the smallholder farmer.

Our investment in Apollo Agriculture will help improve economic opportunities for smallholder farmers while strengthening their resilience to climate-related hazards. Apollo plans to reach more than 2.3 million low-income farmers, primarily across Kenya, by 2026. The company's customers report significant positive changes in quality of life, productivity and income stability, with the average customer estimated to produce 2.6 times more than the average Kenyan farmer.

**Investment name:** Apollo Agriculture  
**Region/country:** Kenya  
**Investment type:** Catalyst Portfolio

Smallholder farmers are particularly vulnerable to the effects of climate change.


[Read full story](#)

# Improving economic opportunities for all

**We prioritise investments that create better jobs and livelihoods for people living in poverty, and which supply goods and services that meet their needs. In doing this, we consider the proportion of workers, suppliers and customers that live below the \$5.50 per day 2011 purchasing-power-parity poverty (PPP) line, or equivalent.**

We do this across our different portfolios. First, one of the impact objectives of investments made through our Catalyst Portfolio is to promote inclusion. The investments focused on this objective have a requirement that more than 50 per cent of individuals reached live below the \$5.50 per day 2011 line, or are from otherwise marginalised groups. Second, in our Growth Portfolio, we also track our reach to low-income populations as it's part of the Inclusive Score that makes up the Impact Score for all investments.

Our 2022 investments that achieved significant reach to low-income people (more than 50 per cent of individuals reached) ranged in types of groups reached, from farmers to employees, and from small business owners to patients and consumers. They also ranged in the sectors covered, including agriculture, fintech, textiles, microfinance, small retailers and solar home systems. Finally, they also ranged in regions, including investments in India, Bangladesh, South Africa, Kenya, Uganda and Tanzania. This range of geographies highlights that it's important for our Impact Score to consider whether an investment reaches low-income populations within a country as well as whether it's in a poor and fragile country.

In 2022, one investment that demonstrates significant reach to low-income populations is Akshayakalpa, a dairy company in India, which is bringing more sustainably farmed products to more consumers in India, while importantly increasing incomes for farmers. Before receiving support from Akshayakalpa, all farmers were living on less than the \$5.50 per day 2011 line. The investment aims to improve farmers' incomes by enhancing their productivity, providing access to markets and improving their financial inclusion. We expect that dairy will become farmers' primary source of income instead of simply augmenting other income, and that their income will become more predictable and regular due to the daily payments made by the company.

In Bangladesh, we're supporting DBL Group in establishing a greenfield cotton-yarn spinning mill. Once constructed, the mill will support Bangladesh's economic growth and improve livelihoods of people living in poverty, by creating over 1,000 jobs for lower-skilled workers in Bangladesh's textiles sector. We expect women will make up more than 50 per cent of the new workforce. Our capital will also support improved working conditions and benefits for the workforce, such as paid maternity benefits, nursery facilities and medical facilities. These benefits support expecting and new mothers to continue in the workforce. As DBL's childcare provision is also made available to fathers within the company, it supports women outside of DBL's employees to engage in productive activities, having a broader impact at community level. In addition, DBL's factories have shops selling daily necessities

below market price, which unlocks time spent on household chores and generates savings for employees.

In Africa, another example of an investment reaching low-income populations, in this case smallholder farmers, is AgDevCo, an agricultural investment company. **📖 You can read more information in the case study below.**

We are always continuing to build on our evidence base and develop greater understanding of who is reached by each investment we make and, in particular, their socioeconomic status. Providing evidence for the specific demographic details of people reached by investments is a common industry challenge, so it's key that we continue to build this understanding, which includes carrying out research and surveys.

## Supporting farmers' livelihoods across Africa

**Investment name:** AgDevCo Limited  
**Region/country:** Pan-Africa  
**Investment type:** Catalyst Portfolio



Agriculture in Africa has a vast social and economic footprint. More than 60 per cent of the population of sub-Saharan Africa are smallholder farmers, and about 23 per cent of sub-Saharan Africa's GDP comes from agriculture.

AgDevCo is a UK Government-founded agricultural investment company with a mission to invest in small and medium-sized agribusinesses in sub-Saharan Africa. The company focuses particularly on primary agriculture and on businesses that support smallholder farmers as customers or suppliers. AgDevCo works in a variety of sectors and crops, including high-value export crops such as avocados and lychees, nutritious food industries for domestic markets, and affordable meat protein such as poultry and fish.

Their investments help to increase income for hundreds of thousands of farmers every year. AgDevCo also invests in companies that supply locally produced nutritious foods and improve equal access for the poor, especially vulnerable women. For example, in 2021, AgDevCo's investments produced 133 million eggs and 18,000 tonnes of nutritious food products, all sold to low-income households.

Our funding will help AgDevCo increase the number of impactful investments in African agriculture. We're also providing funding through BII Plus, which will support farmers in Mozambique in becoming more climate smart.



# Going deeper on impact





# Enabling development through responsible investing

Environmental, social and governance (ESG) management is foundational to achieving development impact. It also helps support the long-term sustainability of businesses. That's why, as a responsible investor, we place significant value on our role as an enabler of better ESG outcomes.

We seek to help our portfolio manage their risks and pursue opportunities to enhance ESG performance in a way that brings positive impact as well as tangible financial benefits for their businesses. Such benefits can include improved access to markets and capital, increased customer trust and brand value, cost efficiencies and better stakeholder relations.

In 2022, we further developed our industry-leading credentials as a pioneer in responsible investing with the launch of our new [Policy on Responsible Investing](#). The new policy builds on our previous Code of Responsible Investing and reflects the evolution of standards and policies within BII and internationally.

The new policy provides a clear mission statement and sets out how we approach ESG risk management as a responsible investor deploying public funds. It clarifies our core and risk-specific ESG requirements for our investees, and we are working with our portfolio to implement the policy. It also provides guidance on emerging ESG themes and the risks we believe will be important over the next five years, including artificial intelligence, biodiversity, circular economy, disability inclusion, human rights and tax transparency, among others.

The Policy underpins our credentials as an impact investor and is an invaluable resource for other institutional investors and fund managers who are looking to implement responsible-investing best practice.

## Working with our portfolio to implement strong ESG performance

Bolstering ESG performance is never straightforward – particularly for smaller businesses and for companies that operate in countries where such considerations are less mainstream than they are in developed markets.

Our ambition is to increase ESG value beyond compliance, offering a strong line of support that focuses on emerging themes and good practice. We support businesses on a one-on-one basis, helping them become more resilient and better equipped to manage ESG risk. One example from this year is our work with Ecom Express to improve road safety standards, [which you can read about in the case study opposite](#).

We also host workshops to build the capability of our portfolio and fund managers to implement ESG strategies and management systems. Over the year, we hosted workshops for over 730 participants from over 200 portfolio companies and fund managers. This included providing bespoke training for venture capital businesses, financial services and fund managers. The sessions covered topics including climate risk, human resources, business integrity, corporate governance and safeguarding.

Over the year, we also continued to work with like-minded organisations to make an impact in the markets where we invest. With funding from our technical assistance facility, BII Plus, this included developing a Water Risk Filter with WWF to increase the ability of investors and companies to adapt and become more resilient to climate shocks and stressors – an initiative that [won a UN Principles for Responsible Investment award for ESG Research Innovation of the Year](#) in December.

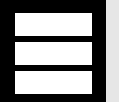
**730+**  
participants from  
**200+**  
companies and investors took part in our workshops this year



## Accelerating road safety standards in India

As referred to in the case study on page 20, we first invested in Ecom Express, a large logistics player in India, in 2019. At the time of the investment, we recognised that there was significant room for improvement in both environmental and social impact management, and data collection about road safety, one of the main risks in the business.

After investment, we supported the establishment of a well-functioning Impact Committee and worked closely with the company to build a robust system that is now in place across Ecom Express' operations. The environmental and social system includes innovative processes in a number of areas, such as safeguarding. In addition, with funding from BII Plus, we supported Ecom in developing road safety training for their drivers. This has significantly reduced the number of serious incidents their drivers suffer – despite the fact that the workforce has significantly increased in size.



## Investing with integrity

Last year, we worked with Transparency International UK to explore the link between business integrity risk management and development impact, recognising that there was very little existing discussion on the topic. The research led to clear findings highlighting the correlation between good business integrity risk management and development impact outcomes. Tangible benefits for companies include reduced losses to fraud, higher productivity and cost efficiencies, and improved access to capital.

The report finds that benefits are also clear for investors, with improved portfolio performance and a 'business integrity premium' leading to an increased pool of potential buyers. It also emphasises that strong business integrity approaches can lead to improved environmental

and social outcomes, by identifying and managing underlying causes of corruption that amplify environmental and social risks.

When impact investors can demonstrate the financial benefits of implementing integrity risk management, it opens the door for other investors who might otherwise avoid the opportunity because of endemic corruption practices.

In the coming year, we will reflect on the report's recommendations and identify additional opportunities to integrate business integrity in ESG risk management. We will also continue building capacity within our portfolio to build company resilience and support achievement of development impact.

**Read the full report:**  
[\*Investing with integrity.\*](#)

# Catalytic capital

The purpose of this part of our portfolio is to invest in markets where there is a high potential for impact, but where there are few precedents or benchmarks for success. This means that when we invest, we must take an even more flexible approach to risk in exchange for creating impact.

Our Catalyst Portfolio is a vehicle for innovation and impact. Over the year, we made £270.6 million of new Catalyst investments. This included backing first-of-its-kind initiatives such as The Urban Resilience Fund, which will develop sustainable public infrastructure in Africa's cities, the fastest growing in the world. The fund will invest in urban mobility such as bus rapid transit, waste management systems, and the energy transition, including microgrid management.

In 2022, we also created and catalysed exciting new funding structures to shape nascent markets and build more sustainable and inclusive economies. Our partnership with Symbiotics, to launch the first-ever green basket bond across Africa, South and South East Asia, is a prime example. The innovative, multi-currency green lending programme is expected to set a new market standard and help scale climate finance across Asia and Africa. It will support 10 – 15 micro, small and medium enterprise banks, which require smaller investment capital than we're typically able to fund directly. Loans provided through the programme will help to fund small-scale green projects such as rooftop solar panels, sustainable agriculture, and energy-efficient appliances including clean cookstoves.

We're using financial structures innovatively to address persistent market failures and create more productive economies too. Small businesses are the backbone of Africa's economy, yet continue to face significant challenges in accessing the credit they need to grow and prosper. Our partnership with African Guarantee Fund, a specialised guarantee provider, will improve access to finance for small businesses across Africa by supporting lenders in broadening their SME lending. At least half of the overall facility will specifically target SMEs in the most fragile African economies, to support promising businesses that can contribute to productive economic development over the long term.

We've continued to support the most cutting-edge solutions for climate, gender and digital transformations. In 2022 we made several new investments under our Venture Capital Scale-Up Strategy, which aims to support the growth of the most impactful businesses in our venture capital funds portfolio. This includes backing businesses that provide small-business owners with digital financial services, such as Moniepoint in Nigeria (+ see case study on page 17) and Paymob in Egypt (+ see case study on page 45). We've also invested in Apollo Agriculture, a business providing farm financing to support smallholder farmers in Africa, including helping them increase resilience to the impact of climate change (+ see case study on page 28).

Year on year, the Catalyst Portfolio continues to grow. Today it is worth £771.3 million. We expect to grow our Catalyst Portfolio to 10–15 per cent of our total portfolio, by value, by 2026. As we do so, we continually evaluate our efforts. One clear marker of success within the Catalyst Portfolio is when investments 'graduate' from Catalyst to our Growth Portfolio. This occurs when an investment is sufficiently de-risked to qualify for Growth capital in its next funding round, demonstrating commercial sustainability. This year, we continued to see more graduations. We first invested in WorldLink, an internet service provider in Nepal, in 2019 through our Catalyst Portfolio. Three years later, following successful growth of the company, we made another investment in 2022, this time under our Growth Portfolio.

## Expanding our catalytic capital toolkit

 [Read full story](#)



Other key investments, which you can read about in other sections of this report, include:

- + our partnership with Metito on the Africa Water Infrastructure Development platform, to develop climate-smart water projects at scale and to increase water security across Africa (+ see case study on page 28);
- + our investment in AgDevCo, a specialist early-stage investor in African agribusinesses (+ see case study on page 34); and
- + our investment in the Trade Access Program, which is strengthening trade across Africa by increasing availability of capital for SMEs, agri-techs and fintechs (+ see case study on page 18).

# Catalytic

Our Catalyst Portfolio is a vehicle for innovation and impact. Over the year, we made £270.6 million

We've continued to support the most cutting-edge solutions for climate, gender and digital



## Expanding our catalytic capital toolkit

The impact and risk appetite of our catalytic capital toolkit is part of our distinctive offer within the development finance community. We strive to develop new tools to achieve impact.

We have recently introduced a new portfolio, known as our 'Kinetic Portfolio'. This has been designed to enable us to invest and manage concessional investment strategies. Our Kinetic Portfolio complements our existing Growth and Catalyst Portfolios and BII Plus technical assistance capabilities, ensuring we're providing a flexible capital toolkit to help address our partners' investment and development needs.

This new portfolio has a higher risk tolerance than our existing Growth and Catalyst investment strategies. It also has the ability to be blended with other forms of capital to enable it to be used to make pioneering investments. Through the portfolio, we're able to use concessional capital in different ways to support our

partners – ranging from funding to support them to close the 'viability gap' on projects, to flexible debt products.

The first facility under this new Kinetic Portfolio is a Climate Innovation Facility, introduced in 2021. This facility has a highly catalytic, climate-focused investment mandate that will enable us to test, seed and scale cutting-edge technologies, businesses or investment strategies that have the potential to have a transformational impact on the lives of people and communities in Africa, Asia and the Caribbean.

In 2022, we built and strengthened our Kinetic Portfolio, by making and supporting investments under the Climate Innovation Facility. For example, we supported our investee company Pula, a Kenya-based agricultural insurance and technology company that we invested in under the facility in 2021, in testing its Pay-at-Harvest insurance product for smallholder farmers.

economic development over the long term.

# BII Plus Enhancing our impact through technical assistance

In addition to our work providing returnable investment capital, we also provide technical assistance through BII Plus. We use our experience as an investor to identify and create opportunities to make a lasting difference to the lives of underserved groups – by increasing economic opportunity, improving standards of living and creating a more sustainable environment.

BII Plus works with companies within our portfolio to deepen their development impact. It also creates value and impact beyond our portfolio by designing and managing market-shaping programmes. In 2022, we approved over £7 million of BII Plus funding for more than 40 projects.

Market-shaping initiatives that BII Plus supported in 2022 include a partnership with WWF to enhance its Water Risk Filter tool – a leading online tool to support companies and funds in responding to water-related risk. BII Plus' work has developed the tool to enable companies and investors to assess water-related financial risks under various climate change scenarios. In 2022, the tool was awarded best [✓ \*ESG Research Innovation of the Year\*](#) by UN Principles for Responsible Investment. Building on the success of the Water Risk Filter, through BII Plus we have also worked with WWF to develop a new Biodiversity Risk Filter, which helps firms understand nature risks and address them in their value chains and investments. Both tools are now available as part of [✓ \*WWF's Risk Filter Suite\*](#).

Another example of our market-shaping work is our partnership with Gatsby Africa, which has explored the benefits and barriers to effective relationships between DFIs and the donor-funded private-sector development community. We identified that, despite these different organisations sharing a mutual goal to support poverty reduction and bolster sustainable and inclusive economic growth in developing economies, collaboration could be improved. The report we published with Gatsby Africa [✓ \*'Bridging the Gap'\*](#), provides recommendations to enhance this collaboration.

Within our current portfolio, a key element of BII Plus' work in 2022 included supporting financial institutions, with the aim of helping them address pressing priorities of financial

inclusion and climate change. We've done this through supporting our partners in introducing new or improved products, expanding into new markets or segments, or enhancing their current processes and systems.

One example of this has been using technical assistance to support our partnership with Symbiotics in launching the first-ever green basket bond across Africa and Asia. The technical assistance provided by BII Plus is supporting micro, small and medium enterprise banks in developing their green financing capabilities, by enhancing their ability to identify and manage green assets. This means they are better able to support the growth of green projects and businesses.

Another example is our technical assistance to Pubali Bank in Bangladesh, which aims to strengthen the bank's rapidly growing sustainable finance franchise. The package will support Pubali in building technical expertise and best practice, strengthening data collection on climate financing and climate risk, and further increasing the bank's ability to originate green projects and structure climate investments in line with international standards.

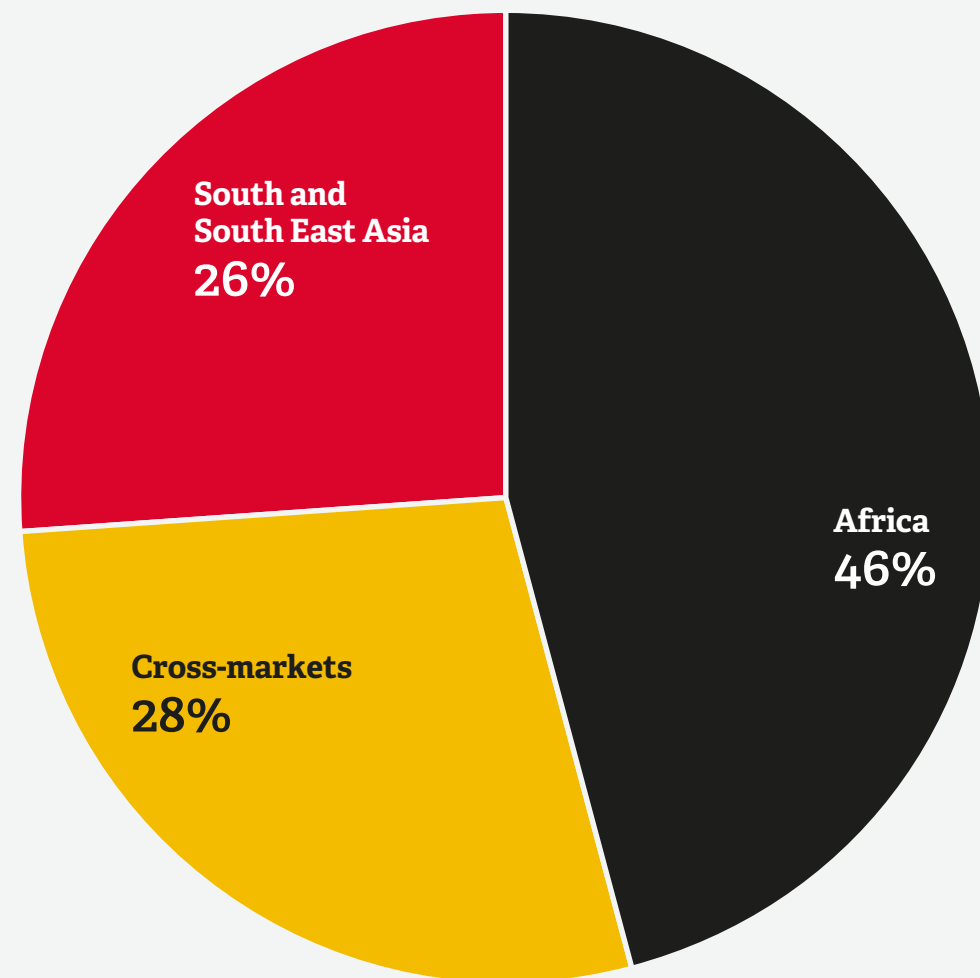
We've also been providing technical assistance support to our venture capital portfolio businesses throughout the year. Examples include our work with BetterPlace, a blue-collar worker platform in India, which seeks to empower workers by giving them opportunities for job growth and upward social mobility, and access to credit and health insurance. BII Plus is funding the company's pilot programme to train and support women, [+](#) **which you can read more about on page 32.**

Other projects supported by BII Plus throughout the year include:

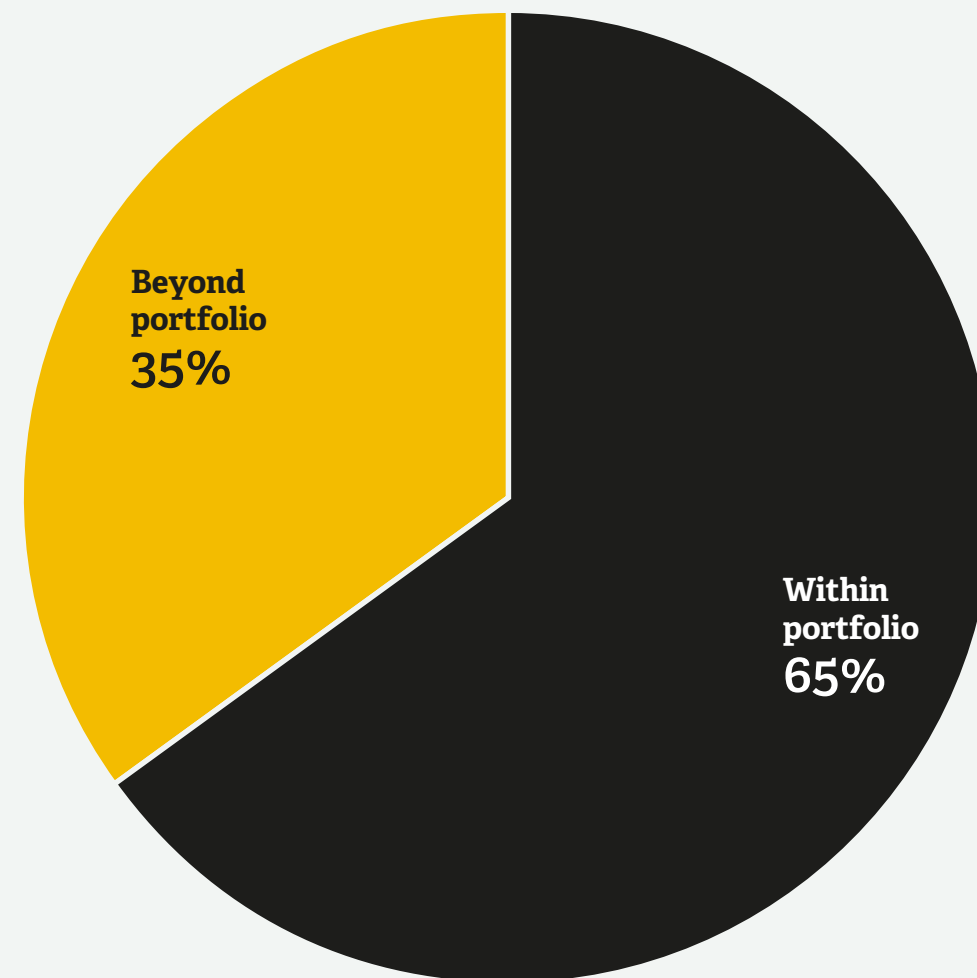
- + the Africa Resilience Investment Accelerator (ARIA) – an initiative to boost investment in frontier markets of Sierra Leone, Liberia and Burkina Faso by pooling expertise to overcome the challenges of providing capital in these countries. In 2022, ARIA brought together 16 bilateral and multilateral DFIs and supported nine new or existing pipeline investments for individual DFIs;
- + working with Aquaconnect, an India-based agri-tech firm that helps shrimp and fish farmers improve productivity and resilience. We helped Aquaconnect to conduct market studies, farmer engagement and expansion planning. As a result, Aquaconnect reached 800 ponds across Orissa state, with farmers experiencing 36 per cent increased yields and improved environmental resilience. We invest in Aquaconnect through Omnivore Partners India Fund 2, managed by Omnivore Capital Management Advisors; and
- + working with Jumia, a leading online marketplace in Africa, to expand its services to smaller cities with populations of fewer than 100,000 people, which are typically less well connected to logistics infrastructure. We measured the impact of three pilot initiatives, including a new approach to recruiting more female sales agents.

# BII Plus in numbers

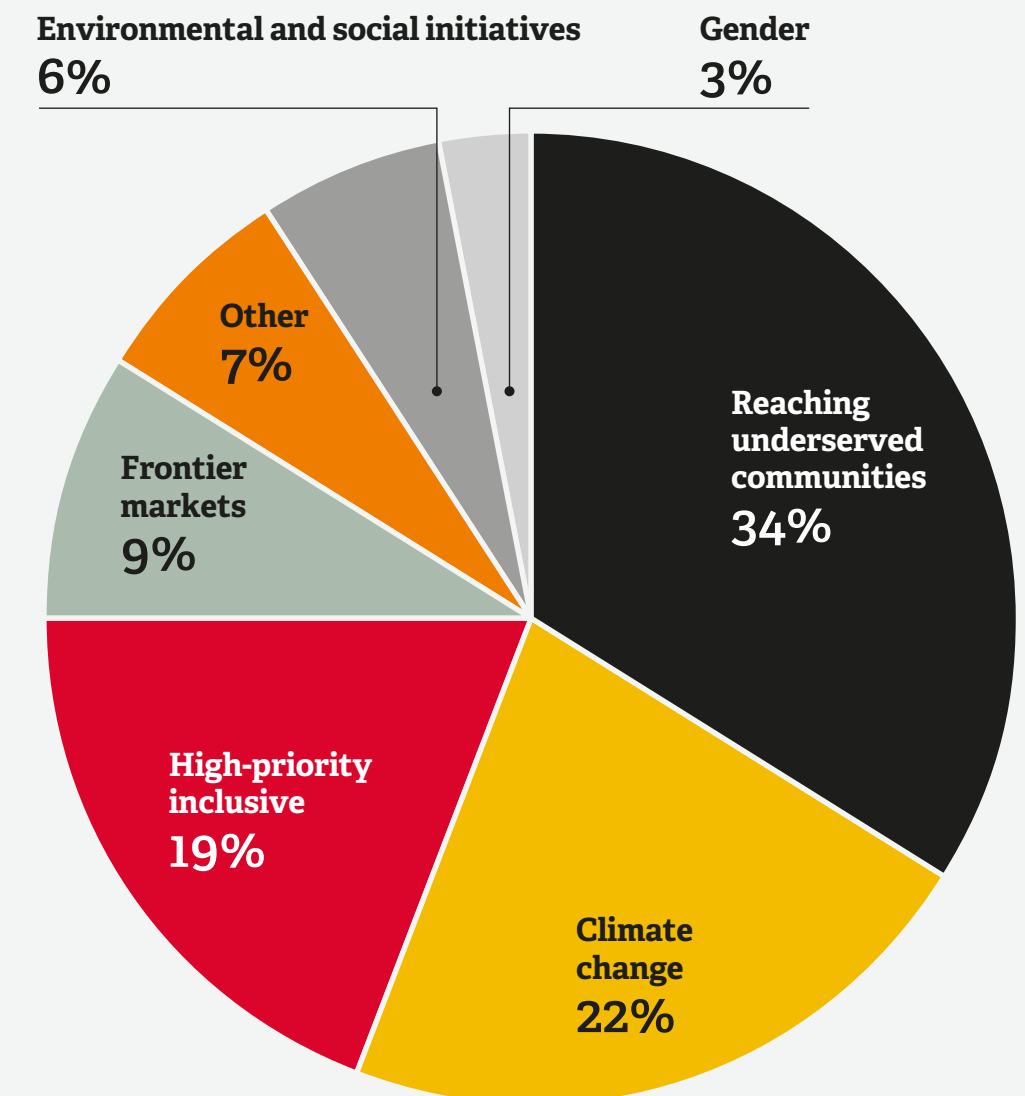
The largest proportion of the BII Plus portfolio is in Africa



The new commitments we made in 2022 are largely for projects within our portfolio of investees

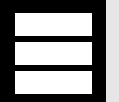


The share of climate change projects in the BII Plus portfolio is growing while inclusion remains the most common impact theme



# The year's new investments





# Our 2022 commitments

## Key

- Gender qualified using the 2X Challenge criteria
- Partially gender qualified
- Climate finance qualified<sup>1</sup>
- Partially climate finance qualified<sup>1</sup>

	(£m)	Location
<b>Growth Portfolio</b>		
<b>Debt</b>	<b>452.7</b>	
● <b>Aavas Financiers Limited</b>	35.8	India
<b>Axian Telecom</b>	18.6	Africa
<b>Banque du Caire</b>	41.5	Egypt
● <b>Fourth Partner Energy Private Limited</b>	34.8	India
●● <b>H1 Capital (Pty) Ltd</b>	23.1	South Africa
<b>Invictus Trading FZE</b>	41.5	Sudan
● <b>Jinnat Textile Mills Limited</b>	43.0	Bangladesh
● <b>Moove Nigeria B.V.</b>	15.9	Nigeria
●○ <b>NMB Bank Ltd.</b>	20.5	Nepal
● <b>Pubali Bank Ltd.</b>	26.2	Bangladesh
● <b>RFL Electronics Limited</b>	18.1	Bangladesh
● <b>Scatec Kenhardt 1 (RF) Proprietary Limited</b>	36.2	South Africa
● <b>Scatec Kenhardt 2 (RF) Proprietary Limited</b>	36.3	South Africa
● <b>Scatec Kenhardt 3 (RF) Proprietary Limited</b>	36.3	South Africa
●● <b>Zambia National Commercial Bank</b>	24.9	Zambia

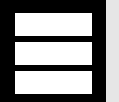
	(£m)	Location
<b>Growth Portfolio</b>		
<b>Equity</b>	<b>313.0</b>	
● <b>AkshayaKalpa Farms and Foods Private Limited</b>	5.7	India
<b>Boston Ivy Healthcare Solutions Private Limited</b>	4.3	India
<b>Ecom Express Private Limited</b>	3.3	India
● <b>Globeleq Limited</b>	4.1	Africa
● <b>Growth Investment Partners Ghana Ltd</b>	0.4	Ghana
<b>Kelix Bio Limited</b>	36.9	Egypt
● <b>Kinara Capital</b>	10.5	India
● <b>Light Microfinance Private Limited</b>	7.6	India
● <b>Lynx Food Group</b>	5.0	South Africa
●● <b>Mahindra Electric Automobile Limited</b>	200.9	India
<b>MaxAB B.V.</b>	8.0	Egypt
<b>Mintoak Innovations Private Limited</b>	2.9	India
●● <b>Miro Forestry Developments Limited</b>	5.2	West Africa
○ <b>South Asia Growth Invest Holdings LP (Hero Motors Limited)</b>	4.1	India
● <b>Tyme Group Holdings PTE</b>	7.0	South Africa
<b>WorldLink Communications Limited</b>	7.1	Nepal

	(£m)	Location
<b>Growth Portfolio</b>		
<b>Fund</b>	<b>234.5</b>	
<b>3one4 Capital – Fund III</b>	3.7	India
● <b>Aavishkaar India Fund VI</b>	22.9	India
●● <b>African Infrastructure Investment Fund IV</b>	60.3	Africa
<b>Algebra Ventures II Coöperatief U.A.</b>	8.2	Egypt
● <b>Amethis MENA Fund II</b>	12.9	Morocco
<b>Arkam Ventures Fund I (Unitary Fund)</b>	7.5	India
<b>Blume Ventures India Fund IV</b>	12.2	India
<b>Convergence Partners Digital Infrastructure Fund</b>	7.9	Africa
● <b>Elevar India V</b>	8.3	India
● <b>Lok Capital IV LLC</b>	4.1	India
<b>Norrskens22 Fund (D) AB</b>	13.4	Africa
<b>Partech Africa II</b>	12.9	Africa
●● <b>Pembani Remgro Infrastructure Fund II</b>	31.3	Africa
<b>Pi Ventures Fund II</b>	7.3	India
<b>Pravega Ventures Fund II</b>	8.8	India
○ <b>SEAF Caribbean SME Growth Fund</b>	8.7	Caribbean
<b>Ventures Platform Fund IV</b>	4.1	Nigeria

**Growth Portfolio total: £1,000.2 million**

<sup>1</sup> We define climate finance using the multilateral development bank (MDB) and International Development Finance Club (IDFC) Common Principles climate finance methodologies. See Common Principles for Climate Mitigation Finance Tracking: [www.idfc.org/wp-content/uploads/2021/10/cp-mit-update-final-2021-10-18.pdf](http://www.idfc.org/wp-content/uploads/2021/10/cp-mit-update-final-2021-10-18.pdf) and Common Principles for Climate Change Adaptation Finance Tracking: [eib.org/attachments/documents/mdb\\_idfc\\_adaptation\\_common\\_principles\\_en.pdf](http://eib.org/attachments/documents/mdb_idfc_adaptation_common_principles_en.pdf).





Our 2022 commitments continued

	(£m)	Location
<b>Catalyst Portfolio</b>		
<b>Debt</b>	<b>67.6</b>	
● Micro, Small & Medium Enterprises Bonds S.A.	59.6	Global
● M-KOPA (Kenya)	4.0	Kenya
● Moniepoint Inc.	4.0	Nigeria
<b>Equity</b>		
● Africa Water Infrastructure Development Limited	11.5	Egypt
● AgDevCo Limited	44.7	Africa
● Apollo Agriculture, Inc.	1.5	Kenya
● Cassbana B.V.	1.7	Egypt
● Fortem Holdings Limited (iProcure)	2.3	Kenya
● Gridworks Development Partners LLP	34.6	Africa
● Jacoma Estates Limited	2.0	Malawi
● Loadshare Networks Private Limited	3.0	India
● Moniepoint Inc.	1.1	Nigeria
● Paymob International B.V.	3.8	Egypt
● Touchkin eServices Private Limited	1.6	India
● Wortgage Technologies Private Limited	2.4	India

	(£m)	Location
<b>Catalyst Portfolio</b>		
<b>Fund</b>	<b>60.1</b>	
● Ancile Trade Access Program Sub-Fund	39.3	Africa
● Dolma Impact Fund II	3.5	Nepal
● The Urban Resilience Fund B – International Municipal Investment Fund SCSp	17.3	Africa
<b>Guarantee</b>		
● African Guarantee Fund	32.7	Africa
<b>Catalyst Portfolio total: £270.6 million</b>		

**Key**

- Gender qualified using the 2X Challenge criteria
- Partially gender qualified
- Climate finance qualified
- Partially climate finance qualified

	(£m)	Location
<b>Kinetic Portfolio<sup>2</sup></b>		
<b>Debt</b>	<b>2.2</b>	
● Turtle Shell Technologies Pvt Ltd	2.2	India
<b>Kinetic Portfolio total: £2.2 million</b>		

Grand total

**£1,273.0 million**

<sup>2</sup> This is the first year that we have included commitments made under our Kinetic Portfolio. We made our first commitment under this portfolio in 2021, in Pula, an agricultural insurance and technology company. This was not included in the list of commitments in our 2021 Annual Review as the portfolio at that time was a pilot.

# A selection of our commitments

- Key**
- Gender qualified using the 2X Challenge criteria
  - Partially gender qualified
  - Climate finance qualified
  - Partially climate finance qualified

○ ○

**Investment name:** Africa Water Infrastructure Development  
**Region/country:** Africa  
**Investment type:** Catalyst Portfolio  
**Focus:** Water infrastructure

The impact of the climate emergency is putting an additional strain on African water infrastructure, which is already struggling to cope due to the demands of a rising population and decades of underinvestment.

We aim to improve the availability, reliability and quality of water for end consumers and businesses, with the ultimate goal of strengthening African countries' resilience to climate change.

The investment will improve access to safe and affordable drinking water, and reduce deaths and illnesses from waterborne diseases. It will bolster wastewater treatment and improve the efficient use of water through recycling and safe water reuse.

The investment will also particularly benefit women, who are disproportionately affected by time-consuming tasks such as fetching water, or by the inadequate design of sanitation and hygiene facilities and services in their communities.

○ ●

**Investment name:** AgDevCo Limited  
**Region/country:** Africa  
**Investment type:** Catalyst Portfolio  
**Focus:** Agriculture

AgDevCo's vision is of a thriving commercial African agriculture sector that benefits people, economies and the environment. The company contributes investment capital and technical assistance to help grow sustainable and impactful businesses across the agricultural value chain. In doing so, it aims to promote resilience, gender equality and the production of better-quality, more nutritious food.

Our investment is helping AgDevCo to support tens of thousands of smallholder farmers in sub-Saharan Africa, to help increase their income and improve their resilience to climate change.



●

**Investment name:** Light Microfinance Private Limited  
**Region/country:** India  
**Investment type:** Growth Portfolio  
**Focus:** Microfinance

Light Microfinance provides an invaluable source of finance to underserved populations in rural India that do not have access to traditional forms of financial services. Women are the primary beneficiary of these small loans, which create employment opportunities and boost entrepreneurship.

The company has already helped over 350,000 people in deprived regions of rural India. The company operates in Gujarat, Rajasthan, Madhya Pradesh and Haryana, and is one of the fastest-growing microfinance companies in India today.

● ●

**Investment name:** Mahindra Electric Automobile Ltd  
**Region/country:** India  
**Investment type:** Growth Portfolio  
**Focus:** Electric vehicles

Our \$250 million partnership with Mahindra & Mahindra (M&M) to accelerate the availability and adoption of electric vehicles (EVs) in India and other developing markets, was one of our largest investments in 2022.

The investment was in a new business that will develop four-wheel passenger EVs for Indian consumers.

The sale of electric cars, which replace petrol or diesel cars, is expected to avoid at least one million tons of carbon dioxide emissions in the first six years of this investment. It will also lead to the creation of around 8,000 skilled jobs – a quarter of which are expected to be women.

M&M launched its EV design philosophy and product line-up at an event in August at its site in Oxfordshire.



A selection of our commitments continued

**Key**

- Gender qualified using the 2X Challenge criteria
- Partially gender qualified
- Climate finance qualified
- Partially climate finance qualified



**Investment name:** Paymob International B.V.  
**Region/country:** Egypt  
**Investment type:** Catalyst Portfolio  
**Focus:** Financial services

This investment is part of our Venture Capital Scale-up Strategy to support the growth of the most impactful companies in our venture capital funds portfolio. Our investment in Paymob will improve economic opportunities for owners and employees of SMEs by providing them with access to digital financial services for the first time.

The investment will enable Paymob to reach hundreds of thousands of SMEs, primarily across Egypt, with 90 per cent of SME merchant customers previously not having had access to digital payment solutions.

Our support will also enable Paymob to enter the Pakistan market to further the impact of its operations.

**Investment name:** Pubali Bank Ltd.  
**Region/country:** Bangladesh  
**Investment type:** Growth Portfolio  
**Focus:** Climate finance

We provided \$30 million in the form of a directed lending climate facility that will help increase funding to corporates for renewable energy and net-zero transition projects, and support Pubali's climate finance practice.

This green loan, our first in Bangladesh, will primarily be used for projects in renewable energy, green buildings, and energy and efficiency in the textile and manufacturing sectors. The facility will enable Pubali to extend climate finance loans to its portfolio of corporate clients in these sectors, enabling them to purchase key equipment required in climate projects, and implement climate-related technological solutions in Bangladesh.



**Investment name:** SEAF Caribbean SME Growth Fund  
**Region/country:** Caribbean  
**Investment type:** Growth Portfolio  
**Focus:** SME financing

This \$10 million commitment represents our first investment in the Caribbean since 2000, following our announcement, in October, of our return to the region.

The new capital will enable SEAF Caribbean Management, the fund manager, to back high-growth SMEs and bolster businesses' ability to scale their operations and support the integration of the region.

The funding will be targeted at SMEs with strong potential to create and increase income-generating opportunities in the English-speaking Caribbean Community and Common Market (CARICOM). These opportunities are expected to be primarily in the form of jobs at wide-ranging skill levels, which will improve skills diversity and promote inclusive economic opportunities for people across the Caribbean.

**Investment name:** Scatec Kenhardt 1/2/3 Proprietary Limited  
**Region/country:** South Africa  
**Investment type:** Growth Portfolio  
**Focus:** Renewable energy

In 2022, we worked with Standard Bank and H1 Holdings on the first sizeable battery energy storage and solar project in South Africa. Our investment backed three projects, powered entirely by renewable sources, which together will be Africa's largest, and South Africa's first, baseload renewable energy project.

Once constructed, the three projects will provide a total solar power capacity of 540 MW and 1.1 GWh of battery energy storage.

The projects will increase the share of renewables in the national grid and also mitigate the chronic load-shedding faced by the country. Their innovative design will ensure reliable delivery of clean energy when demand requires, even at sundown. The additional clean power delivery to the grid will contribute towards solving the country's energy challenges, and bolster South Africa's ambitions to diversify and decarbonise the country's power system by displacing thermal power generation.

Across the three projects, we have provided a \$125 million senior debt investment along with an additional \$26 million mezzanine financing to Scatec's co-investor, H1 Holdings – a South African Broad-Based Black Economic Empowerment (B-BBEE) renewables investment and development company.

A selection of our investments continued

**Key**

- Gender qualified using the 2X Challenge criteria
- Partially gender qualified
- Climate finance qualified
- Partially climate finance qualified



**Investment name:** Micro, Small & Medium Enterprises Bonds S.A.  
**Region/country:** Africa, South Asia, South East Asia  
**Investment type:** Catalyst Portfolio  
**Focus:** Climate finance

We subscribed to a \$75 million green basket bond (Micro, Small & Medium Enterprises Bonds) arranged by Symbiotics, a leading emerging-markets access platform and financial lender.

This bond is the first of its kind issued in the markets where we invest – covering the African continent, India, Pakistan, Bangladesh, Sri Lanka, Nepal, Indonesia, the Philippines, Vietnam, Cambodia and Laos.

Loans provided through the programme will help to fund small-scale green projects such as rooftop solar panels, sustainable agriculture, energy-efficient appliances including clean cookstoves, energy-efficiency improvements to buildings, electric vehicles and more. The success of a programme such as this will build the green lending capabilities of micro, small and medium enterprise banks across target markets. It will increase capital to support small-scale green projects in these target markets, and provide a replicable structure for other investors seeking to increase their allocation to climate finance across Asia and Africa.



**Investment name:** The Urban Resilience Fund B  
**Region/country:** Africa  
**Investment type:** Catalyst Portfolio  
**Focus:** Urban infrastructure

This \$20 million investment was our first in an urban infrastructure fund, and supports the design and growth of climate-focused infrastructure projects across sub-Saharan Africa – increasing the affordability, safety, reliability and climate resilience of public infrastructure in African cities. Meridiam's Fund will invest in urban mobility such as bus rapid transit and modern cable cars, and energy transition, including microgrids management. It will also support built-community environments such as innovative smart-city solutions, street lighting and electric vehicle charging, as well as waste management systems.

Africa's cities are the fastest-growing cities in the world; and while they pose challenges with insufficient infrastructure, pollution and congestion, the lack of existing development presents the opportunity to create exemplars of green public infrastructure.

**Investment name:** WorldLink Communications Limited  
**Region/country:** Nepal  
**Investment type:** Growth Portfolio  
**Focus:** Telecommunications

As Nepal's largest private-sector internet service provider, WorldLink has more than 750,000 customers and will use the investment to continue its internet expansion activities across the country, with a focus on rural areas. WorldLink is also one of the largest employers in the country, with around 5,500 employees, and our investment will help to create an additional 1,000 jobs and provide skills training for the employees.

Compared with other Asian countries, Nepal's digital access is low, which has created real challenges in the development of communities and businesses. Improving access to affordable and quality internet for the general public is part of the UN SDGs and will also contribute to Nepal's economic growth and overall development.



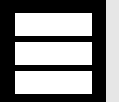
**Investment name:** Zambia National Commercial Bank  
**Region/country:** Zambia  
**Investment type:** Growth Portfolio  
**Focus:** Climate finance

This \$50 million loan to one of Zambia's leading banks was designed to boost climate finance and entrepreneurship in the country.

The funds will be used by Zambia National Commercial Bank (Zanaco) as a directed lending line to provide finance for micro, small and medium enterprises and climate-related projects in Zambia. Zanaco, founded in 1969, is a leading indigenous bank in Zambia and ranks as one of the largest and oldest banks in the country.

The investment qualifies under the **2X Challenge** – an initiative launched by the DFIs of the G7 to mobilise capital to support increased economic empowerment for women in emerging economies.

Zanaco is interested in climate lending and is developing the necessary processes, capabilities and sustainability strategies to grow its climate book, mainly in the renewable energy market.



# Information

## Glossary, disclaimer and credits

### Glossary of terms

<b>BII Plus</b>	BII's technical assistance facility
<b>Catalyst Portfolio</b>	One of BII's portfolios, which takes a flexible approach to risk in exchange for creating impact
<b>DFI</b>	Development finance institution
<b>ESG</b>	Environmental, social and governance
<b>FCDO</b>	Foreign, Commonwealth and Development Office
<b>GDP</b>	Gross domestic product
<b>Growth Portfolio</b>	BII's largest investment portfolio, focused on providing capital to businesses with the potential to achieve sustainable growth while making a positive environmental, social and economic impact
<b>GW</b>	Gigawatt
<b>GWh</b>	Gigawatt hour
<b>ILO</b>	International Labour Organization
<b>Kinetic Portfolio</b>	One of BII's portfolios, focused on concessional investment strategies
<b>MDB</b>	Multilateral development bank
<b>MW</b>	Megawatt
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PCAF</b>	Partnership for Carbon Accounting Financials
<b>PPP</b>	Purchasing power parity
<b>SDGs</b>	The set of Sustainable Development Goals that UN member states aim to achieve by 2030
<b>SME</b>	Small and medium-sized enterprise
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>tCO<sub>2e</sub></b>	Tonnes of carbon dioxide equivalent
<b>TWh</b>	Terawatt hour

All \$/dollars are US dollars unless otherwise stated

### Data disclaimer

Data on employment, taxes paid, mobilisation and sector metrics has been through BII's internal data quality procedure, and we have used reasonable efforts to ensure the accuracy of all data used in this report. However, this data has not been audited or independently verified. Data has been received from many, but not all, of BII's investee businesses. We have received this data from our investment partners, including the fund managers that have invested our capital (and the capital of others) in these businesses. Data may be from different points in time but was requested to relate as closely as possible to year-end 2022. Employment data may sometimes include contract workers and other non-permanent workers. Tax data should be read as being indicative of magnitude rather than exact amounts of taxes paid.

### Photography

All photographs originate from BII's image library of investee businesses, or have been supplied by investment partners, purchased from stock libraries, or taken by BII employees on site visits. Photographers whose work is used in this publication include: Samuel Ochai, Harrison Thane, Allison Joyce and Asim Hafeez (Communication for Development Ltd).

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