British International Investment

Cover images updated - option 1

BUILDING MARKETS, TRANSFORMING LIVES

2026-31 Strategy



British International Investment

BUILDING MARKETS, TRANSFORMING LIVES

2026-31 Strategy

Cover images updated- option 2





We're driving sustainable growth in emerging markets

British International Investment is the UK's development finance institution. We invest in businesses in developing countries to improve people's lives and help protect the planet, while making a positive financial return which we reinvest to support even more businesses. Owned by the UK Government, we're a vital part of its work to make the world a more prosperous place for everyone.

Our investments create jobs and opportunities. They generate tax revenues and strengthen local economies. They help combat the climate crisis. Our work helps countries break free from aid dependency for good. By proving what is possible, we help attract the private capital that gives these countries the economic conditions to shape their own futures.

Executive summary

Our new strategy sets out how we will respond to a rapidly changing world while staying true to our mission to improve lives and create opportunities across Africa and Asia. Drawing on what we've learned from 2022–26, it sharpens our focus on where our capital and expertise can have the greatest impact in the years ahead – to build markets and transform lives.

Three strategic shifts

Partnerships are the bedrock of our strategy and will help us deliver on the following strategic shifts.

Focus on what matters most for development

Focus on the sectors that make the biggest difference in the markets where we invest.

Within those sectors, focus on investments that achieve a multiplier effect and catalyse changes that make markets work better for the people they serve.

Sustain the UK's long-standing commitment to the Least Developed Countries

25% of new core investments to these markets

In focus countries, adopt a programme-led approach to improve the investment environment.

Accelerate private capital flows into emerging markets

£6–7.5bn of commercial capital mobilised

At least £3bn of commercial capital mobilised where we take an active role in unlocking co-investment.

Launch British Climate Partners (BCP), to direct private investment into the energy transition in India and South-East Asia.

Key numbers

Total commitments

£7–8bn

in line with investment volume over previous strategy period

Financial return

2.0–2.5%

We are financially sustainable and deliver value for the UK taxpayer, making a return which we reinvest to support even more businesses.

Climate and gender

40%

of new investments (including BCP) to climate finance

30%

of new core investments to gender finance

What we will invest in

Financial services





Power, trade and digital infrastructure

Sustainable industries





Partner with other capital managers

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Foreword from our Chief Executive

Since our founding in 1948, two principles have guided our mission. First, global public investment in developing nations is vital to achieve a more stable, secure and prosperous world. And second, no country can thrive without a flourishing private sector. Healthy economies provide people with secure jobs and governments with reliable tax revenues. They bring foreign investment into the country. They generate innovation, invention and ideas.

Recent changes in geopolitics, technology, and the urgency of the climate crisis do not alter our core principles. They must, however, change how we deliver them. Our new strategy therefore acknowledges and reflects this shift.

First, we must focus on the investments that make the biggest difference in the markets where we invest. Since we rebuilt our direct investing business in 2012, we have learned a lot about which investments are most effective in making markets work better for the people they serve. These are supporting resilient financial systems, backing sustainable industries that create jobs, and investing in the infrastructure that connects people, power, places and data. By being more selective about the sectors we invest in, we aim to spark deeper, more lasting change in our markets. We call this 'market-level impact', and this approach will be at the heart of where and how we invest.

Second, we cannot solve the global challenges we face – poverty, instability, conflict and global public health – without bringing the least developed countries with us on the journey to shared prosperity. Our new strategy will commit a significant share of our resources to frontier markets, combining patient capital with technical assistance, policy engagement, and deep local partnerships. By working alongside governments, donors, and other development finance institutions (DFIs), we will tackle the toughest barriers to investment and help create the conditions for long-term, sustainable growth.

Finally, we must accelerate the flows of capital to emerging markets by mobilising the private sector. The rapid economic growth and industrial transformation we see in middle-income countries provides us with the opportunity to do so, and to decouple that growth from carbon emissions.

Over the next five years, we will launch and build a new vehicle for the fast-growing economies of South and South-East Asia, focused on the transition to cleaner energy and industry. This initiative, British Climate Partners, has been specifically designed to channel growing institutional investor interest in the opportunities afforded by the energy transition.

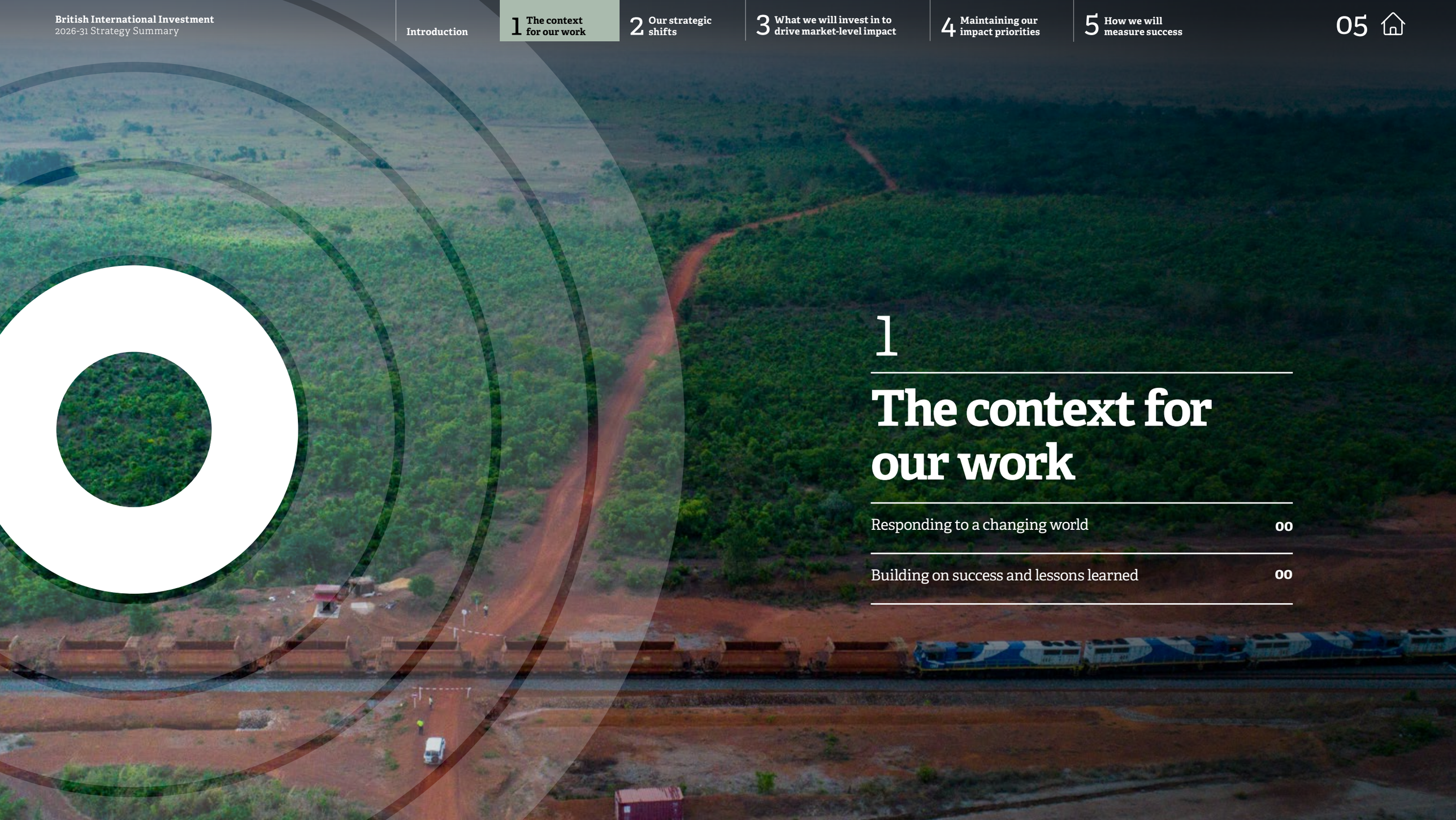
We deliver value for the UK taxpayer, creating lasting impact while also generating financial returns that we reinvest to support even more businesses. Over 2026–31, we will continue to be financially resilient and responsible stewards of UK taxpayers' money, ensuring we sustain our operations over the long term without requiring ongoing capital support.

We deliver value for the UK taxpayer, creating lasting impact while also generating financial returns that we reinvest to support even more businesses.

As we look ahead, I am confident we will remain a driving force for positive change and a flagship for the UK's contribution to global progress. Together with our partners, we are building a future that is productive, sustainable, and inclusive – providing the benefits of economic growth to those who need it most and creating a more prosperous world for us all.



Leslie Maasdorp
Chief Executive Officer



1

The context for our work

Responding to a changing world 00

Building on success and lessons learned 00

The context for our work

While our ambition to improve lives and create opportunities across Africa and Asia has remained constant for nearly 80 years, we have adapted to meet the changing needs of the countries we serve. Our new strategy is shaped by the biggest challenges facing the countries we invest in, and by recognising what we have achieved, and where we can do more.

Responding to a changing world

The world around us is changing rapidly, and development finance institutions (DFIs) recognise the need to adapt. Our new strategy responds to three big shifts shaping our work:

- **Financing for development is changing.**
  Governments face growing pressure on public finances following the pandemic and other global shocks, and overseas aid budgets are shrinking. In that context DFIs must focus on the sectors that deliver the greatest impact for economic growth and industrial transformation.
- **The gap between countries is widening.**
  While some countries are experiencing rapid growth, many of the world's poorest countries, especially in sub-Saharan Africa, face high debt, a weak jobs market, and limited access to private investment. This widening development gap makes it harder to build a fairer and more sustainable future for everyone. Poverty is local, but its ramifications are global.
- **Tackling climate change is more urgent than ever.**
  Progress on cutting emissions has slowed, and many developing countries still lack the investment needed for clean energy and climate resilience. But the renewed interest among institutional investors in emerging markets presents an opportunity for DFIs to play a bridging role to unlock domestic and international capital flows for the energy transition.



Building on success and lessons learned: our three strategic shifts

As we reach the end of our 2022–26 strategy, we have reflected carefully on what has worked well, where we can do more, and how our experience should shape our priorities for the next five years. Our rigorous impact scoring system, which focuses our investment on productive, sustainable and inclusive growth, has helped us exceed our targets, launch flagship investment platforms, and manage our portfolio to deliver both development impact and financial returns.

At the same time, the last five years have taught us valuable lessons that will shape how we work throughout the next strategy period. In response to changes in the global context, and informed by what we have learned about where our capital and expertise are most effective, we will make three strategic shifts in 2026–31:

- **Focus on what matters most for development.** The foundations of all countries' prosperity are resilient financial systems, sustainable industries that create jobs, and the infrastructure that connects people, power, places, and data. At our best, our investments don't just deliver jobs, goods and services, and taxes – they also set in motion wider shifts in how markets operate, amplifying the impact of our capital. By being more selective about our sectors, we aim to catalyse changes that make markets work better for the people they serve – through shifts in behaviour, competition or market structures, for example. This concept – which we call market-level impact – will be at the heart of our revised approach to prioritising investments.
- **Sustain the UK's long-standing commitment to the Least Developed Countries.** Investing in the world's most challenging places takes commitment and patience. Our experience shows that greater engagement and tailored support can lead to real progress in these markets, even though results may take longer to materialise and require sustained effort. In the next five years, our goal is to commit at least 25 per cent of our core capital to these markets. We will also broaden our work 'beyond capital' by engaging in policy, technical assistance and partnerships to improve the investment environment.
- **Accelerate private capital flows into emerging markets.** In the last strategy period, we tested several ways to attract private sector investment into our core markets, learning which approaches are most effective and where our role adds the greatest value. Building on this experience, we will now focus on where we can add the most value, such as equity-led mobilisation strategies that help build companies and bring in new investors. In this strategy period, we have set ourselves the goal of actively mobilising over £3 billion of private investment, including by establishing a new climate finance vehicle dedicated to channelling private capital into the energy transition in South and South-East Asia (British Climate Partners).

These three shifts are outlined in page [XX]. We have also set out clear definitions of these terms and how they are used throughout the following chapters.

Definitions



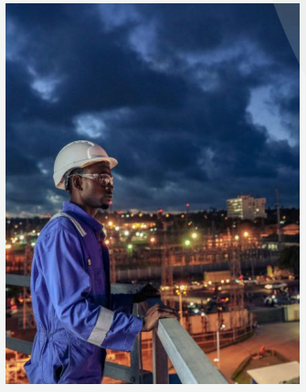
Market-level impact.

Occurs when an investment not only delivers direct benefits – like jobs, taxes, or access to services – but also triggers wider changes in the market. These changes, or 'market-level effects', include shifts in behaviour, competition, or market structures that result in benefits beyond the original investment. By combining these wider effects with the direct impact of our investments, we can enhance our total market-level impact.



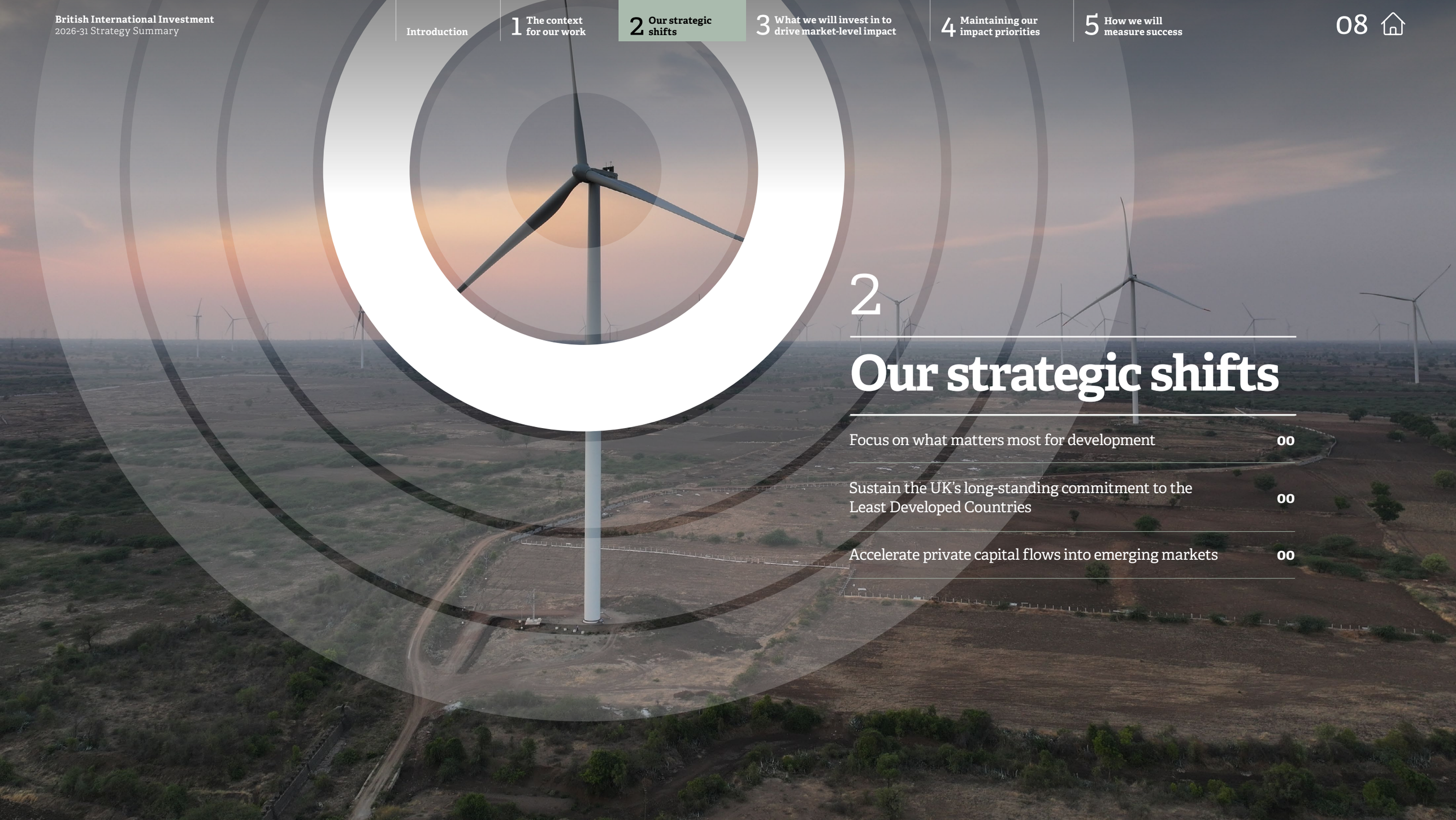
Frontier markets.

Refers to countries eligible to be classified as Least Developed Countries by the United Nations. These are typically low-income and vulnerable economies, where investment is most needed and the potential impact of capital is high.



Active mobilisation.

Occurs when we play a leading role in intentionally bringing other investors into an investment, helping to attract private capital that would not have invested otherwise. This differs from passive mobilisation, where co-investment happens without our involvement being a key factor in attracting other investors.



2

Our strategic shifts

Focus on what matters most for development 00

Sustain the UK's long-standing commitment to the Least Developed Countries 00

Accelerate private capital flows into emerging markets 00

Strategic shift 1: Focus on what matters most for development

Our experience shows that the investments with the greatest long-term impact often do more than deliver direct results, such as jobs created, taxes paid, or emissions avoided. They also help shape and strengthen the wider markets in which they operate. We refer to this ability to influence market dynamics as 'market-level impact'. It reflects our growing understanding of how change happens beyond individual investments to galvanise broader economic development.

A powerful example is our investment in Safaricom Ethiopia. The investment helped 10 million people gain access to digital services. It also introduced competition to Ethiopia's telecoms market, increasing the availability of higher quality mobile data services in the country and reducing data costs. The benefits of this wider market change have f ar exceeded the direct impact of the investment itself.

Market-level effects occur when an investment influences behaviour beyond the company we invest in, such as how competitors act, how markets are structured, or how decisions are made, that can be credibly linked to our original investment. Because these changes involve other market actors, the effects can multiply impact far beyond what any single investment could achieve.

Our strategy for 2026–31 aims to achieve this multiplier effect across more of our investments. We will do this by better co-ordinating our capital with non-financial support, including BII Plus, our technical assistance and support facility.

By combining wider market-level effects with the direct impact of our investments, we expect to increase our overall market-level impact. Our strategy identifies three main pathways for achieving this.

Pathways to market-level impact

In this context, a 'market' means a product, service, value chain, sector or asset class in a specific country or region. A 'market-level effect' refers to changes that go beyond a single investment and benefit a wider group of businesses or people than the direct stakeholders of the investment. We do this in three ways.

1. Enabling growth

› We support growth by helping businesses and communities access the infrastructure and basic services they need. This includes reliable power and transport, affordable finance for small businesses, and markets that work more effectively.

2. Pioneering markets

› We expand access to products and services by triggering wider market changes, including lower prices, greater availability, improved quality, or sustainability. These changes often happen when new ideas are replicated, competition increases, or regulatory standards evolve.

3. Deepening capital markets

› We help businesses raise capital by showing that new models work or that a market is ready for private investment. We prove this through our own investments, and we also make it easier for other investors to enter these markets.

Embedding market-led thinking

Market-led thinking is at the centre of our 2026–31 strategy. To that end, we will:

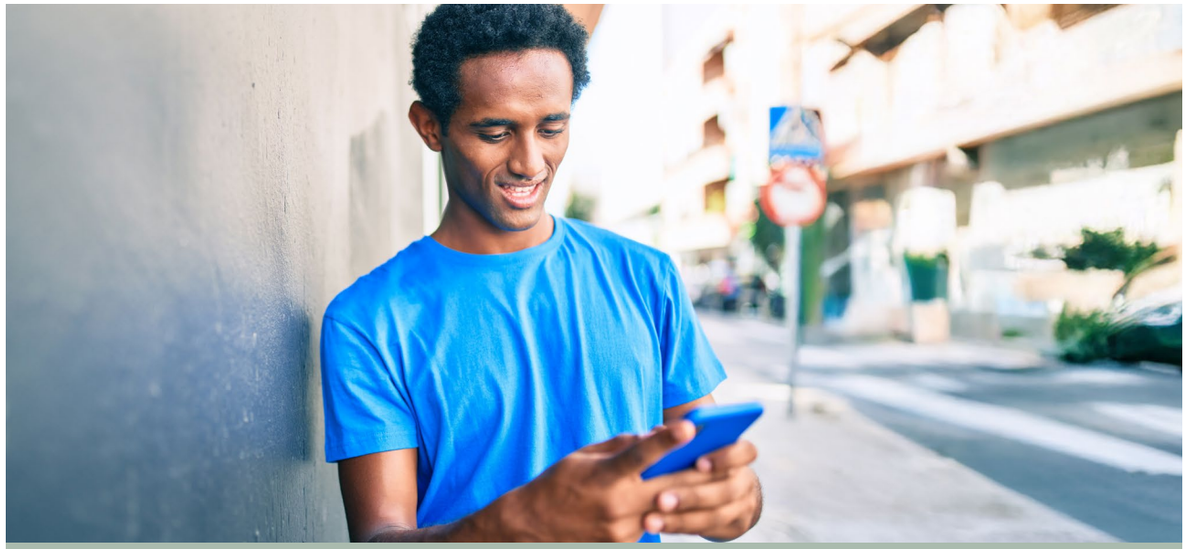
› **Focus on the sectors that matter most for development:** financial services, sustainable industries, and power, trade and digital infrastructure.

› **Within these core sectors, we will concentrate on a narrower set of sub-sectors where we have the greatest expertise,** recognising that deep market knowledge is essential to understanding how markets function, where constraints lie, and what combinations of capital and non-financial interventions are most likely to deliver market-level impact. We will align our resources – including concessional capital and advisory support – behind these priority sub-sectors **(see page [XX]).**

› **Tailor our approach to delivering market-level impact to different country and market contexts,** recognising that different types of market-level impact are more likely to be achieved in different settings. For example, in rapidly growing emerging markets in South and South-East Asia, this will involve launching British Climate Partners, using equity and mezzanine finance to accelerate decarbonisation and attract more international capital (see page [XX]); while in frontier markets, it will involve adopting a new approach, combining investment, technical assistance and local partnerships to overcome barriers to investment and improve conditions for growth **(see page [XX])**.

› **Embed market-level impact at the heart of how we assess and manage our portfolio,** by strengthening the Impact Score to better capture investments that drive wider market change **(see page [XX]),** and commissioning evaluations to understand the progress we are making **(see page [XX]).**

Focus on what matters most for development continued



Expanding access to mobile data for millions

Safaricom, Ethiopia

In 2019, Ethiopia started a process to introduce competition in the telecom industry to support the country's digital transformation. Safaricom Ethiopia, which was founded with investment from a consortium comprised of BII and others, was awarded Ethiopia's first mobile network licence to be granted to a private company in 2021.

As the country's first private operator, Safaricom Ethiopia has helped pioneer competition and triggered significant market-wide changes. Mobile data prices in the country have fallen. Network quality has improved and 4G coverage has doubled as operators have responded with new investment. Competitive pressures have expanded access to faster, more affordable connectivity for 10 million people. Safaricom Ethiopia's rapid scaleup, with nearly 3,500 network towers built, demonstrates the viability of a liberalised market, encouraging further sector reform.

This is market level impact in action: innovations replicated, competitors upgrading, and consumers benefiting from fairer prices and better services.



Supporting the emerging e-mobility market in India

India's transport sector is a major contributor to the country's greenhouse gas emissions and urban air pollution. India's Government has set ambitious clean energy targets, such as 30 per cent electric vehicle (EV) market penetration by 2030. However, India's EV market is still in its early stages.

We have played a catalytic role in building India's e-mobility ecosystem, investing across the entire EV value chain. This has included investing in vehicle manufacturing, battery technology, and charging and swapping networks. These investments have helped create a dense cluster of innovators, strengthening supply chains and accelerating EV adoption.

This market building experience is now informing our work in East and West Africa, where our investments draw directly on India's lessons in fleet electrification, battery swapping and early-stage EV financing. Together, these efforts are helping create new value chains, stimulate competition and accelerate the transition to cleaner transport across regions.

Strategic shift 2: Sustain the UK's long-standing commitment to the Least Developed Countries

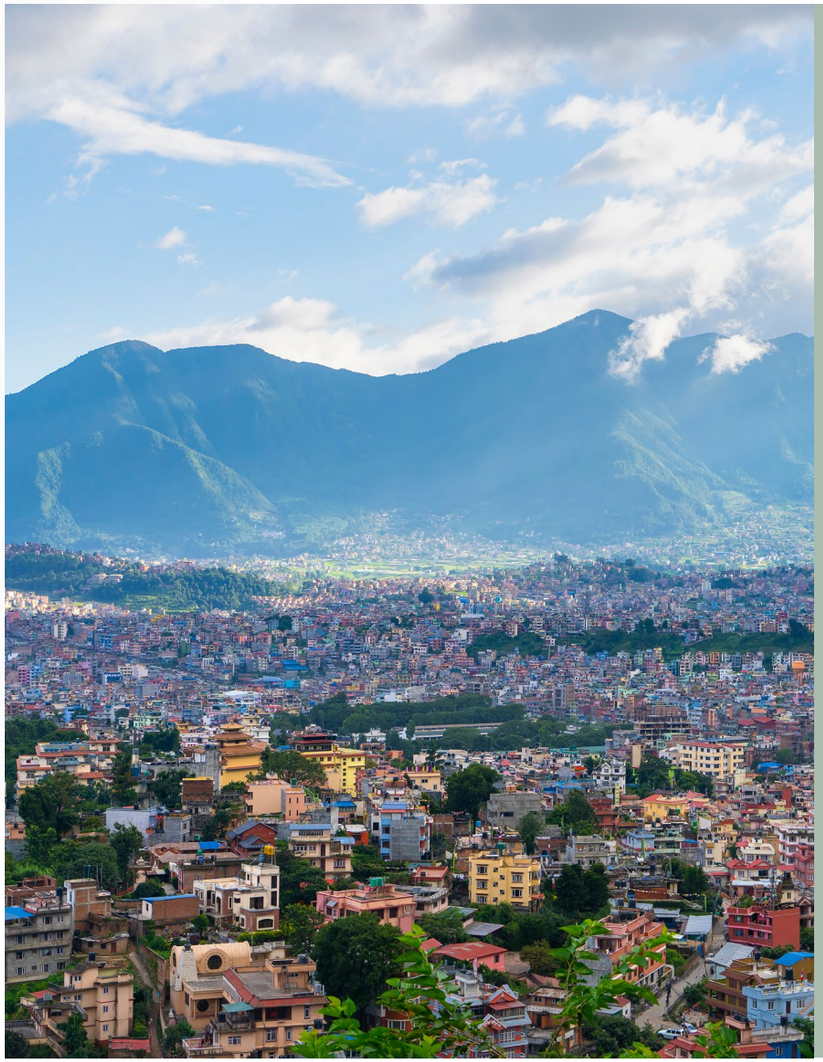
We are committed to doing the hardest things in the hardest places. Frontier markets – defined in line with the UN's list of Least Developed Countries – are home to more than one billion people and represent the world's low-income and most vulnerable economies. These countries face deep structural barriers to investment, from weak institutions and limited infrastructure to small pools of investible businesses. They account for 40 per cent of the world's extreme poor, yet attract less than 1 per cent of global foreign direct investment.[2]

Over the next five years, we will strengthen our work in these markets in two ways. We will commit around 25 per cent of our core portfolio to investments in these countries.[3] In a smaller number of focus countries, we will adopt a programme-led approach that combines policy engagement, technical assistance, and both concessional and core capital.

This approach builds on our successful pilots in Nepal and Sierra Leone, which have shown that market development is possible even in the most challenging environments.

Our initial focus countries will be Nepal, Sierra Leone and Zambia. In these markets, we will invest with a long-term perspective, often using concessional capital to support higher-risk, higher-impact opportunities. Partnerships will be key to this approach, working alongside other DFIs, governments, foundations and local stakeholders to share risk and align resources.

We will also continue our commitment the Africa Resilience Investment Accelerator (ARIA), which helps to connect companies in some of the hardest-to-reach markets in Africa to DFIs.



Building the investment market in Nepal

Structural barriers prevent capital from flowing into high-potential but under-served frontier markets. Through BII Plus, our technical assistance facility, we have taken a 'market-building approach' which aims to unlock investment by addressing these barriers. This includes helping businesses improve governance and financial readiness; working with DFIs and investors to better understand unfamiliar markets and tailor products to local needs; and supporting regulatory improvements that enable greater investment.

Nepal demonstrates the impact of this approach. Since 2020, our regulatory reform efforts and support to financial institutions and funds have helped increase DFI investment into Nepali financial institutions from $75 million to over $850 million in 2025.

Central to these efforts has been Invest for Impact Nepal (IIN), which we helped launch with FMO (the Dutch DFI) and the Swiss Agency for Development and Cooperation. It has helped expand investment-ready institutions, advocate for reforms, promote sustainable lending, and strengthen industry capabilities in the country.

$700m+

Our support has helped boost DFI investment into Nepali financial institutions from $75 million in 2020 to over $850 million in 2025.

2 UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (Link)
3 BII's 'core' portfolio includes all investments that are not part of our British Climate Partners (BCP) or Ukraine investment strategies

Strategic shift 3:
Accelerate private capital flows into emerging markets

Low- and middle-income countries face a widening gap between the finance needed to support their development and tackle climate change, and the reduced funding available from traditional sources. Aid budgets are under pressure, while climate-related investment needs keep rising. As a result, attracting private investment has become a top priority for DFIs.

To address this, over the next five years we will actively mobilise at least £3 billion of commercial capital alongside our own investments. This means taking an active role in unlocking commercial co-investment at scale. Our approach, informed by OECD and multilateral development bank methodologies, will focus on investments with a high likelihood of bringing in private investment, whether through co-investment, portfolio sales, or external funds and vehicles.

Alongside our focus on investments where BII plays an active role in driving mobilisation, we will continue to publish clear information on how much private capital we have mobilised using the OECD methodology. Our aspiration is for our investments to mobilise £6–7.5 billion of commercial capital over the strategy period, in line with the OECD's approach.

This approach will help us to achieve greater development outcomes than we could using our own capital alone. In the short term, external capital gives us the means to support more investments while using less of our own money. In effect, our pounds go further. Over the longer term, our goal is to make investment in emerging markets a routine part of institutional portfolios. As this happens, we can commit less of our capital to established opportunities and prioritise resources toward frontier markets, where private investment remains limited.

We will use different investment tools and approaches, including syndication, equity platforms, blended finance funds, origination partnerships, and secondary sales, to attract private investors and support the development of local capital markets.



Mobilising capital for the clean energy transition

Ayana, India

In 2017, we set out to accelerate renewable energy development in India to reduce the country's dependence on fossil fuels and support its clean energy transition. We built a renewable energy platform from scratch, establishing Ayana as a wholly-owned subsidiary with an initial $100 million investment, supported by its own management team and independent Board.

As Ayana grew, it became clear that achieving its ambitious targets required additional investors. We mobilised capital from major partners including the National Infrastructure Investment Fund and the Green Growth Equity Fund. Over our investment, we mobilised over $1 billion, showing how early, bold commitments can unlock private capital for development impact.

By 2023, Ayana had over 4GW of renewable energy capacity under development and in operation, powering millions of homes and driving India's low-carbon transition. In 2025, we exited to a local renewable energy developer joint venture for $2.3 billion, transferring the platform to long-term owners.

Ayana's journey demonstrates how DFIs can originate transformational businesses, catalyse large-scale private capital, and step aside once markets mature - leaving behind enduring standards in governance, ESG, and impact.

Launching British Climate Partners

A cornerstone of our strategy to attract more private capital is the launch of British Climate Partners (BCP). BCP will develop and scale an investible pipeline of climate projects. It will direct private investment into projects that align with commercial investors' mandates and support the transition to net zero in countries with rapidly growing energy needs.

BCP will focus on India and South-East Asia, home to some of the world's fastest-growing and highest-emitting energy systems, where demand for clean energy is rising and investor interest is strong. It will support national net-zero plans by expanding renewable energy and reducing reliance on fossil fuels. By developing investible projects at scale and linking them with long-term private investors, BCP's goal is to help close the climate finance gap.

With an initial allocation of over £1 billion over the next five years, BCP will have two clear pathways:

- **Equity platforms** that bring together and scale climate projects, reducing early risks and making them attractive to institutional investors.
- **Mezzanine finance** that provides flexible capital for energy transition projects, sitting between debt and equity, combining higher potential returns with some loss protection.

Both pathways are designed to grow and adapt as markets develop and investor demand changes.

Over £1 billion

allocated for British Climate Partners over the next five years



3

What we will invest in to drive market-level impact

Financial services 00

Power, trade and digital infrastructure 00

Sustainable industries 00

Partnering with other capital managers 00

What we will invest in to drive market-level impact

Over the next five years, our strategy will focus on four priority areas that are fundamental to enabling growth:

- Financial services
- Power, trade & digital infrastructure
- Sustainable industries
- Partnerships with other capital managers

Across BII's markets in Africa, Asia, the Caribbean and Ukraine, we will focus on the sectors and geographies where we can have the greatest market-level impact.

Financial services

Financial services in low- and middle-income countries remain fragile. Banks are often undercapitalised, capital markets are shallow, and many institutions are poorly prepared for climate risks. Despite recent progress, 1.4 billion adults still do not have access to basic financial services. Women, small businesses, and people in frontier markets are often most affected. Barriers such as informal economies, gender bias, and poor financial infrastructure exclude large parts of the population, while a lack of diverse credit options widens financing gaps. These issues are made worse by economic instability, climate risks, and rapid technological change.

Our strategy will expand access to finance for underserved groups and strengthen the resilience of financial systems, using a mix of debt and equity. This includes supporting systemically important banks with capital and bond issuances to improve financial stability and diversify funding sources; and using guarantees and risk-sharing agreements to encourage more lending to businesses. We will also provide equity to mission-driven banks to help support gender-focused finance and climate-linked lending.

Alongside this, we will work with non-bank financial institutions and specialist lenders to expand microfinance, support digital innovation and grow green finance sectors. Trade finance programmes and targeted platforms will help address persistent funding gaps in Africa and other priority regions.

Through these actions, we will help to build stronger and more inclusive financial systems that support sustainable growth.

Our strategy will expand access to finance for underserved groups and strengthen the resilience of financial systems.



Expanding women's economic opportunities

Kashf Foundation, Pakistan

Globally, one-third of SMEs are owned by women – yet 70 per cent report having no or insufficient access to financing. Creating economic opportunities for women requires access to finance that reflects the realities women entrepreneurs face. Supporting businesses with inclusive practices is an effective way of expanding opportunity for women and girls while strengthening local economies.

Kashf Foundation is a microfinance institution in Pakistan that provides micro-loans to women-owned businesses. Kashf tailors its services to women entrepreneurs by excluding unnecessary documentation and implementing non-discriminatory credit evaluation systems. When we first invested in 2020, Kashf served 490,000 customers. By the end of 2022, the Foundation had opened 57 new branches and expanded to 639,000 customers.

We provided a senior debt facility to Kashf and reinvested in late 2023 to further support specialised microcredit products and capacity-building services. This financing enabled Kashf to maintain and extend individual loans to micro-entrepreneurs, supporting cashflow management and business growth, with over 75% of Kashf's lending directed to micro-enterprises.

Power, trade and digital infrastructure

Reliable power, efficient logistics and digital connectivity are essential for inclusive growth. Where these are missing, productivity suffers and businesses cannot compete in global markets. More than one billion people still lack access to electricity, millions are excluded from digital services, and poor trade links drive up costs and delays.

These problems are most severe in frontier markets, where infrastructure is underdeveloped and private investment is harder to attract.

Our strategy will tackle these barriers through targeted investments in power, trade and digital infrastructure. We will prioritise affordable, sustainable energy by supporting utility-scale power generation, off-grid solutions and commercial and industrial projects, alongside investments in transmission and distribution networks to improve reliability and expand access. This approach will reflect local conditions, using debt, equity and blended finance to support the transition to more resilient, low-carbon energy systems. We will support the World Bank Group and African Development Bank's Mission 300 initiative, which aims to connect 300 million people to electricity in the region by 2030.

Investment in modern trade infrastructure will help lower costs and make it easier for goods to move across borders, including through improved transport links and ports that ease congestion and strengthen supply chains. By working with experienced partners, we aim to make trade faster and more reliable, helping businesses reach regional and global markets.

We will also expand digital connectivity to help more people access public services, economic opportunities, and tools that support climate adaptation, such as information for climate-smart agriculture. Our investments will focus on telecom towers, fibre networks, data centres and related services, with an emphasis on affordability, rural coverage and lower environmental impact. Backing innovative business models and digital platforms will help widen access and make supply chains more efficient.



Accelerating clean energy generation

Etana Energy, South Africa

Electricity generation in South Africa is unreliable due to ageing coal plants and lack of power generation infrastructure, and rising demand is putting pressure on an already fragile system. However, recent regulatory changes mean that privately-owned companies can sell electricity directly to commercial customers.

In 2024, BII and GuarantCo each provided $50 million in guaranteed finance to Etana Energy, a South African energy trading company. The guarantee allows Etana to buy clean power from independent power producers, giving them confidence to launch new renewable projects, with the reassurance that their electricity will be sold to businesses.

Through the guarantee, we are helping transform South Africa's electricity system by supporting an independent energy trading service that previously did not exist. It is expected to unlock $500 million of new renewable energy projects and add around 500MW of wind and solar. Since the guarantee was agreed, closed projects include two solar and two wind energy projects, easing pressure on the grid and accelerating South Africa's clean energy transition.

$500m
of new renewable energy projects

500MW
of wind and solar

Sustainable industries



Supporting sustainable cocoa production

Johnvents, Nigeria

Cocoa farming is a vital source of livelihood in Nigeria. Yet 86 per cent of farmers live on less than $5.50 per day, constrained by low yields, limited market access, and weak bargaining power. Improving incomes for these smallholders is essential to reducing rural poverty and safeguarding the long-term sustainability of cocoa production.

Johnvents Industries Limited, one of Nigeria's largest cocoa processors, is helping address these challenges by promoting sustainable sourcing, educating farmers, improving supply practices, and offering fairer prices.

In 2024, BII provided a £31.4 million long-term loan to support the refurbishment of Johnvents' second processing factory in Ile-Oluji, increasing its capacity from 13,000 to 30,000 metric tonnes per year and boosting export competitiveness. The investment will enable Johnvents to source most of its cocoa from Rainforest Alliance-certified farmer co-operatives, advance its commitment to 90 per cent traceable cocoa by 2027, and strengthen support for smallholders – 87 per cent of whom report higher earnings through the company. It also reinforces our commitment to backing Black-owned and led businesses in Africa.

Commitment to
90%
traceable cocoa by 2027

Strengthened support for smallholders
87%
of whom report higher earnings through the company

Industry and agriculture are vital for inclusive growth, job creation and climate resilience. But in many of the markets where we invest, both sectors face deep-rooted challenges.

Industrial capacity is uneven, supply chains are fragmented, and many businesses lack access to affordable finance to upgrade technology and cut emissions. Constraints in agricultural markets, often the largest source of employment, continue to leave smallholder farmers and rural communities behind. Poor market access, low productivity, and limited investment in processing infrastructure mean that raw agricultural products are often sold without adding value. Both sectors are also highly exposed to climate risks, while funding the shift to low-carbon models remains difficult.

Our strategy will focus on strengthening industry and agriculture so they can create jobs, improve food security, and reduce emissions over time.

In industry, we will support steel and cement manufacturers to adopt cleaner production methods and use energy more efficiently. Investment in light manufacturing, such as textiles, consumer goods and renewable supply chains will help businesses produce higher value goods and create jobs. We will also support the shift to electric transport by investing in electric vehicle manufacturing, battery technologies and charging infrastructure.

In agriculture, we will invest in ways that help smallholder farmers become more productive and resilient. This includes expanding access to agricultural resources, technology and markets. Support for local processing will help ensure raw agricultural products are turned into higher-value goods closer to where they are produced, creating jobs along the way. Investment in supply chain enablers such as trading companies, logistics platforms and cold chain infrastructure will help reduce food waste and improve links between producers and markets. Climate-smart practices and agricultural innovations, such as digital advice and precision agriculture tools, will be central to this approach, supporting agricultural growth that creates more value for local stakeholders.

Partnering with other capital managers

We will continue to work with other capital managers that invest across multiple sectors and geographies. These partnerships help us to reach markets and investment segments we cannot access directly, while also strengthening the wider capital ecosystem, by helping to attract more private capital into these markets.

Partnering with private equity managers

We will invest through private equity vehicles, working with experienced fund managers with deep local expertise and proven track records, to support businesses aligned with our priorities, such as inclusion, climate resilience and productivity. These partnerships extend our reach into underserved markets and help us back businesses that deliver strong development outcomes, such as access to essential goods and services or creating quality jobs.

Expanding access to private credit

In Africa, many mid-sized companies find it hard to get the finance needed to grow. As international banks have reduced their presence, and with local banks focused on lending to the public sector, these companies are often left with few reliable sources of long-term funding. We will continue to support the development of Africa's private credit market by backing new fund managers and building practical credit platforms. By showing that the risks with this type of financing are lower than commercial investors perceive them to be, we can help increase the flow of capital to these businesses.



Mobilising domestic and international capital for development

Across emerging economies, businesses face persistent barriers to accessing long-term, flexible capital. These constraints limit job creation, slow economic transformation, prevent countries from tackling climate change, and prevent markets from reaching their full potential.

We are working to overcome these barriers by mobilising both international and domestic capital. We are helping unlock large-scale international private capital to accelerate climate action in emerging economies through our anchor investment in the Allianz Credit Emerging Markets (ACE) fund. A landmark $1 billion blended-finance vehicle (with $690 million raised at first close), we provided $40 million of the $150 million in concessional capital contributed by development partners. This will help reduce risk and attract up to $850 million from commercial investors.

Growth Investment Partners Zambia (GIP Zambia), a pioneering investment company we helped set up to provide long-term, flexible, local-currency capital to SMEs, is an example of how we are mobilising domestic capital. It is co-financed by the National Pension Scheme Authority (NAPSA) the country's largest pension fund, providing an avenue for local savings to be deployed into productive use with long-term economic benefits. GIP Zambia builds on the successful launch of GIP Ghana in 2023, demonstrating a scalable and replicable model for SME financing across Africa.

These investments demonstrate how our investments can crowd in institutional investors – both domestic and global – to drive development and climate impact.

Supporting early-stage innovation

Innovation is critical to driving inclusive growth and climate solutions, but early-stage businesses often struggle to raise funding. Through our venture capital strategy, we will support innovation across Africa and Asia, by backing technologies and business models that deliver positive change for people and planet. Key themes include fintech and inclusive finance, digital entrepreneurship and inclusion, e-mobility, decarbonisation, agricultural technology and climate adaptation. Our focus is supporting companies with scalable models and strong domestic partners, especially in technology hubs such as India, Pakistan, Egypt and Nigeria.

Using innovative financial partnerships

Innovative financial partnerships help grow capital markets and attract more private investment. This includes origination partnerships with asset managers and blended finance funds, where we provide catalytic capital or risk cover to attract institutional investors. We will also support basket bonds, which pool assets to diversify risk and make investment more attractive, as well as invest in specialist credit vehicles that help to close financing gaps for small and medium-sized enterprises (SMEs), climate infrastructure and other high-impact sectors.

We will continue our partnership with the European Bank for Reconstruction and Development (EBRD) in Ukraine. In 2023, we jointly launched the Ukraine Investment Platform alongside EBRD and bilateral DFIs from around the world, with BII committing up to £250 million to support the country's reconstruction. Running until 2029, this programme reflects both the strategic importance and the unique challenges of investing in this region. To address these conditions, we have developed, alongside our shareholder, the Foreign, Commonwealth & Development Office (FCDO), a tailored investment framework centred on our partnership with EBRD. Investments focus on sectors critical to Ukraine's recovery, including agriculture, green infrastructure, energy, and financial services.

We will also continue to fully support MedAccess, an innovative social finance company seeking to expand and accelerate access to life-saving medicines, vaccines and diagnostics in Africa and South Asia. We launched the initiative in 2017, and we remain committed to delivering on its mission and mandate over 2026–31.



4

Maintaining our impact priorities

Our industry-leading impact approach 00

Climate and nature 00

Gender and diversity 00

Catalytic capital and BII Plus 00

Maintaining our impact priorities

Our industry-leading impact approach

Our impact priorities will remain the same as in the previous strategy period. We will seek out investments that drive productive, sustainable and inclusive development.

- **Productive investments:** increase economic productivity so that countries can support a decent standard of living.
- **Sustainable investments:** support economic change that reduces emissions, protects the environment and helps countries adapt to the changing climate.
- **Inclusive investments:** ensure the benefits of growth and sustainability are shared with poorer and marginalised groups.

In 2022, we introduced the Impact Score, a tool that measures how well our investment portfolio delivers against these priorities. It has helped guide decisions across the organisation, informed sector strategies and asset allocation, and encouraged investments that go beyond jobs and geography to include gender finance, climate action and market development.

For 2026–31, we will keep the core structure of our Impact Score, while refining it to reflect what we have learned and recent shifts in our strategy. These include a stronger focus on market-level impact, mobilising private capital, and frontier markets. Key enhancements include:

- **Contribution and mobilisation:** The Impact Score will recognise our role in originating investments and attracting private capital, with higher scores where deals bring in significant co-investment – particularly in the most challenging markets.
- **Market-level impact:** The Impact Score will better reflect investments that drive wider change, such as building critical infrastructure, introducing new business models, or strengthening capital markets.
- **Country classifications:** The Impact Score will be updated to better assess how inclusive an investment is, with the highest scores given to investments in frontier markets.
- **Climate and gender:** Building on what we've learned over the past five years, the revised Impact Score will better reflect the scale of an investment's climate or gender impact, beyond its qualification as climate finance or 2X.

We will make these changes to ensure our Impact Score remains a practical tool for guiding investment decisions and supporting productive, sustainable and inclusive growth.

In 2022, we introduced the Impact Score, a tool that measures how well our investment portfolio delivers against these priorities.

7.0–9.0

target average Impact Score across the core portfolio



Climate and nature

Climate change and nature loss are closely linked, so we will address them through a single, joined-up strategy. This will help us to consider nature alongside climate when making decisions to support investments that deliver benefits for people, climate and biodiversity.

Climate

Our last five-year strategy set a target for 30 per cent of new investments to qualify as climate finance, which we achieved. For 2026–31, we will increase this to a 35 per cent target for our core portfolio, with overall climate commitments expected to reach over 40 per cent after including BCP.

Our ambition goes beyond climate finance. We are committed to aligning all our investments with the goals of the Paris Agreement and achieving a net-zero portfolio by 2050. In practice, this means taking climate risks and opportunities into account in every investment decision and supporting a just, climate-resilient transition to net zero wherever we invest.

A key part of our climate strategy – and of our ambition to attract more private capital for the climate transition – is the creation of BCP **(see page [XX]).** We will also continue to work with other investors that share our commitment to aligning their investments with the Paris Agreement.

Our investments will continue to focus on how climate finance is used, making sure it benefits people, supports nature, and builds resilience, as outlined [over the next pages].

40%

of new investments (including BCP) to qualify as climate finance

Nature

Nature-related risks – such as biodiversity loss and damage to ecosystems – can affect the value of our portfolio and need to be considered alongside climate risks. As markets develop, investments that protect and restore nature may also help us to meet our objectives.

Opportunities to invest in nature run across several parts of our strategy. Within sustainable industries, this includes investments that support climate-smart or regenerative agricultural practices that restore soil health, store carbon, and improve water and biodiversity outcomes. It also includes circular economy investments that help reduce the drivers of nature loss, such as pollution and harmful land-use change. As well as overseeing the African Forestry Impact Platform, further nature finance opportunities may arise through our venture capital strategy, which allows us to invest across a wide range of sectors.

We believe development finance should follow a 'do no harm' approach to people and the planet. To that end, we will continue to embed nature-related risks in our investment processes and pilot new nature reporting aligned with the Taskforce on Nature-related Financial Disclosures, in line with emerging work by the International Sustainability Standards Board.

We will continue to follow our Policy for Responsible Investing, which requires us to assess how our investments affect nature and to reduce harm where possible, including biodiversity, pollution and water. For food and agriculture investments, we will continue to require zero-deforestation commitments from investee companies that produce or source top forest-risk commodities.

Adaptation and resilience

We will increase our investment in adaptation and resilience (A&R) opportunities, building on the progress made over the past five years. This will include:

- Screening all investments for climate risk and resilience opportunities.
- Using targeted concessional finance to unlock A&R investments, especially in agriculture.
- Providing technical assistance to help investee companies manage climate risks, plan for adaptation, and develop A&R-related products.

Alongside our investments, we will continue to work with others to strengthen adaptation and resilience through initiatives such as the Adaptation & Resilience Investors Collaborative (ARIC), investor guides, and joint work with other DFIs. We are also partnering with DFIs, multilateral development banks and private investors to advance the Investors Resilience Challenge[4]. This new initiative is modelled on the 2X Challenge, and aims to set shared goals for mobilising private capital into A&R. We will support the Challenge to develop qualification criteria and targets for A&R, following which we will also set out our own level of ambition.

Transition finance

Helping the companies we invest in to cut their carbon emissions is an essential part of supporting the transition to net zero. We will do this mainly by providing transition finance through major banks in Africa and Asia with the necessary technical capabilities **(see page [XX]).** In some cases, we will also provide debt funding to established steel and cement companies to help support their decarbonisation plans **(see page [XX]).**

4 The Investors Resilience Challenge – United Nations Environment – Finance Initiative



Scaling early-stage climate innovation

Wavemaker Impact, South-East Asia

Climate tech holds vast potential to cut emissions while unlocking new economic growth and creating resilient jobs.

Wavemaker Impact, South-East Asia's first climate-tech venture builder, is building and supporting start-ups that have the potential to significantly reduce greenhouse gas emissions in the region. Its aim is to build a portfolio of companies by 2035 that has the potential to reduce 10 per cent of the global carbon budget. The fund has a broad sectoral mandate, focusing on areas with the greatest climate impact, including land-use and carbon-sinks, agriculture and food, mobility, built environment, and the industrial sector.

In 2023, BII invested $6 million into the fund. The investment is part of our strategy to support local entrepreneurial ecosystems to build new businesses which create jobs, and that have the potential to create transformational impact – in this case transformational climate impact. Our aim is that this investment will demonstrate the viability of early-stage climate-tech ventures and influence others to invest in scalable climate change solutions.

Gender and diversity

Gender

Since we launched our gender strategy in 2018, we have improved how we include gender in the way we invest. We have strengthened our internal capabilities – through better tools, training and processes – so teams can identify and address gender gaps more effectively. We have also aligned our incentives so that gender outcomes are consistently prioritised across the organisation. As a result, across our previous strategy period, we surpassed our target for 25 per cent of our investments qualified under the 2X Challenge.

For the next strategy period, our target is for 30 per cent of new investments in our core portfolio to qualify under the 2X Challenge. We will also evolve our approach to focus on priorities that address critical needs and help to scale markets in an inclusive way:

1. **Women's financial and digital inclusion:**
   We will increase women's access to finance, asset ownership, and goods and services.
2. **Quality jobs for women:**
   We will support large-scale employment in manufacturing and services, upskilling for future work, increased entry into science, technology, engineering and mathematics (STEM), and women's progression into leadership roles.
3. **Women and climate:**
   Recognising that women are disproportionately affected by climate risks, but are also key agents of climate action, we will support women's inclusion in low carbon and just transition-aligned industries, and expand access to clean energy and innovations that strengthen climate resilience.

30%

of new core investments to qualify under the 2X Challenge

Black Ownership and Leadership

As a long-term partner to businesses in sub-Saharan Africa, we know the barriers and inequities that Black owners and leaders face when accessing capital, compared with business owners from other ethnicities. We are committed to promoting equity in our portfolio and the markets we invest in.

During the last strategy period we successfully increased the proportion of Black-owned and led businesses in our sub-Saharan Africa portfolio. Over the next five years, we will sustain this focus and strengthen our efforts to source investments in Black-owned or Black-led businesses, financial institutions and funds.



Catalytic capital and BII Plus

Our Catalyst and Kinetic portfolios have a globally recognised and innovative approach to deploying catalytic capital.

- **Catalyst** uses our capital to make higher-risk investments that help shape new markets and attract private investment. It backs early-stage businesses and sectors with the potential to create sustainable and inclusive growth.
- **Kinetic** is a blended finance portfolio. It combines our investment with concessional capital – funding provided on more flexible terms – to support opportunities that are not yet commercially viable on their own but could potentially make a significant development impact.

Over the next five years, we will take a more strategic approach, by deploying our Catalyst and Kinetic funds in support of our three strategic shifts: market-level impact, frontier markets, and mobilisation.

Market-level impact

Our catalytic capital will be used to seed and scale business models, technologies, and projects that drive sustainable and inclusive growth in emerging segments within our core sectors. These will include:

- **Financial services:** Financial inclusion, including nascent climate solutions.
- **Power, trade and digital infrastructure:** Energy access and efficiency; transmission and distribution.
- **Sustainable industries:** Agricultural value-chain solutions; e-mobility; circular economy.

We will also retain a portion of catalytic capital for other promising sub-sectors with strong sustainability or inclusion benefits, particularly those supporting low-income communities, frontier markets, marginalised groups (including women), and transformational climate solutions.

Frontier markets

While frontier markets can be more challenging to invest in, they also offer some of the greatest opportunities for impact. We will therefore use our catalytic capital selectively across our three core sectors, to continue supporting these markets over the long term.

Mobilisation

We will use catalytic capital to encourage more international, institutional and domestic private capital into climate opportunities. This will happen in two ways. First, by using our funds to attract large-scale private capital to increase the overall impact of investments. Second, by supporting high-impact opportunities that need concessional finance before they can stand on their own. In both cases, our aim is to close the funding gap and help turn promising ideas into solutions with real developmental benefits



Increasing clean energy access through concessional capital

Mobile Power (MOPO), Democratic Republic of Congo

Across much of sub-Saharan Africa, limited and unreliable access to electricity constrains household welfare and small-business growth. In countries such as the Democratic Republic of Congo (DRC), approximately 80 per cent of the population lack access to electricity, forcing families and businesses to rely on costly, polluting, and unreliable energy sources. Expanding affordable, clean energy solutions is critical to enabling economic activity and improving livelihoods, particularly in frontier and underserved markets.

Mobile Power (MOPO) is a British company offering solar-charged batteries to families and small businesses in Sierra Leone, Liberia, Nigeria and the DRC. Through a network of local agents, MOPO rents patented batteries on a pay-per-use basis with no deposit or minimum usage, supporting applications ranging from phone charging and lighting to fridges and e-bikes.

In 2025, using our Kinetic portfolio, we committed $7 million to support MOPO's expansion in the DRC and the piloting of its MOPO Max batteries. The investment enables MOPO to scale clean, affordable energy access with the potential to reach over one million people. This provides a cleaner and more affordable alternative to carbon-based fuel generation while supporting economic activity in one of Africa's most energy-constrained markets.

Catalytic capital and BII Plus continued

BII Plus

BII Plus, our technical assistance and support facility, complements our investment activity by helping businesses and markets thrive. It plays a vital role in turning high-impact opportunities into reality by offering expertise, resources and market-level solutions that go beyond finance.

Over the next strategy period, BII Plus will continue to provide:

- **Pre-investment support** for high-impact deals in priority sectors.
- **Post-investment technical assistance** to prove and strengthen early stage, high-impact business models.
- **Specialist support** on climate, gender, and nature for portfolio companies.
- **Market-level interventions** to build stronger investment ecosystems.

BII Plus will deliver impact at two levels:

- **Company level:** This includes advisory services before and after investment, such as feasibility studies, research, and support to help make innovative technologies more commercial, and to strengthen their ESG and inclusion impact.
- **Market level:** This includes tackling system-wide barriers through research, thought leadership and partnerships that help raise industry standards and best practice.

BII Plus will also play a central role in our work in selected frontier markets, where we will engage more deeply **(see page [XX])**, to help create the conditions for sustainable and inclusive growth.





5

How we will measure success

Our goals 00

Our impact 00

Evaluating our impact and sharing lessons learned 00

How we will measure success

Our goals

These are our priority goals for the next five years. They reflect ambitious stretch targets, informed by our experience and what we have learned. We will measure and report transparently on progress against these goals, as well as a broader set of agreed performance metrics, which can be found at this link.

Climate

We aim to commit

>40%

of new investments (including BCP) as climate finance.

This includes

35%

of new investments in our core portfolio..

Frontier markets

We aim to commit

25%

of new investments in our core portfolio in frontier markets.

Financial return

Financial resilience, and our ability to maintain portfolio value, helps us to sustain our operations over the long term without requiring ongoing capital support. To achieve this, we will continue to use a long-term financial return metric that reflects portfolio performance over a seven-year period.

We expect to achieve

2.0–2.5%

long-term financial returns.

Mobilisation

By 2031, our aspiration is for our investments to mobilise

£6–7.5bn

of commercial capital (OECD methodology).

At least £3bn

of commercial capital mobilised where we take an active role in unlocking co-investment.

Total commitments

We expect to commit

£7–£8bn

between 2026 and 2031, in line with our investment volume over the previous strategy period.

Impact Score

We will continue to measure the impact of our core portfolio using our Impact Score, which assesses how each investment contributes to productive, sustainable and inclusive outcomes. Each investment earns an individual score, which is then combined to calculate an overall average. For the next strategy period, our aim is to maintain an average score of

7.0–9.0

across the core portfolio. We will report on our progress towards this target in our annual reviews.

Catalyst

We aim to commit

15%

of all new capital deployed (core and BCP) through our Catalyst portfolio.

Gender

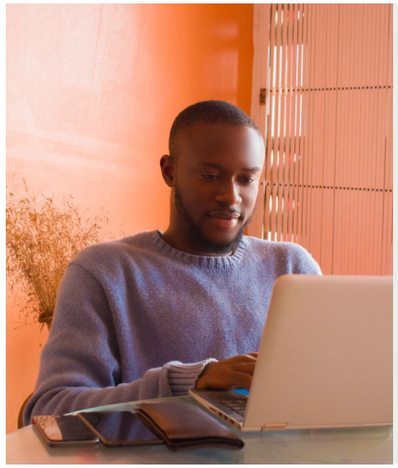
We aim to commit

30%

of new investments in our core portfolio under the 2X Challenge.

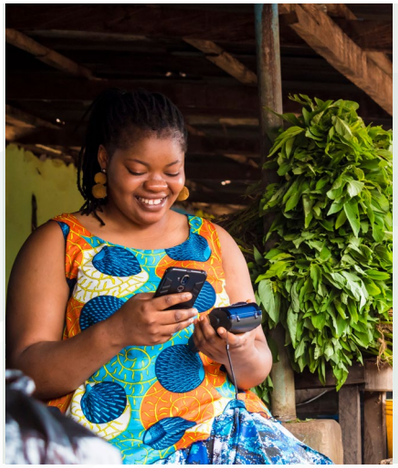
Our impact

Over the next five years, our investments will target the areas where we can deliver the greatest impact. These commitments outline how we will make a difference for people, businesses, markets and the planet.



Back small business growth

Support 10 million micro, small and medium-sized businesses to get the finance they need so they can grow, innovate, and create economic activity across the countries where we invest.



Expand economic opportunities

Enable businesses to create jobs and economic opportunities for 10 million people across Africa.



Drive the shift to clean energy

Support countries to move to renewable power, strengthen electricity networks, and provide clean energy for 10 million households. As part of this, we expect at least 40 per cent of our new investments will be in climate finance.

Invest in women

Improve economic opportunities for women, including better jobs, greater access to finance, and improved essential services. As part of this, 30 per cent of our new investments will be in gender finance.



Increase investment in the Least Developed Countries

At least 25 per cent of our new investments will go to these countries over the next five years.



Unlock private investment

Attract up to £7.5 billion of private capital alongside our own investment, so we can maximise our impact.



Evaluating our impact and sharing lessons learned

Evaluating our impact

Evaluating the investments we make helps us learn, improve, and stay accountable. This supports us to understand the real outcomes of our investments on people and the planet, beyond what monitoring alone can show. Between 2022–26, we completed 25 independent evaluations, providing robust evidence, challenge, and insight. The findings helped shape our new strategy, including our approach to market-level impact, frontier markets, and active mobilisation.

Evaluations will continue to play a central role in the new strategy period. They will track our progress on strategic priorities, and highlight what works and what we need to adapt. Independent evaluations will help us stay focused on achieving results that are aligned with our long-term objectives.

Evaluations will continue to play a central role in the new strategy period

25 **independent evaluations, providing robust evidence, challenge, and insight completed between 2022-26**



Sharing lessons learned

During 2022–26, we used thought leadership to grow our influence beyond individual investments. We turned impact investing principles into practical guidance, research, and tools that shaped decisions and market best practice. Initiatives such as the African Transition Finance Guidance Note, Climate Investment Playbook, and Gender Bonds Toolkit converted investment level insights into broader ecosystem change. Our partnerships with organisations including the Dutch entrepreneurial development bank FMO, the International Finance Corporation (IFC) and UN Women underlined our leadership role in areas such as gender finance and responsible investing.

In the next strategy period, we will go further, by moving beyond only publishing thought leadership to more intentionally promoting the sharing of key learnings and outcomes between our stakeholders. Our focus will be on market-level impact aligned with priorities such as frontier markets, climate finance, and mobilisation. We will use our portfolio and networks to enable peer learning and South–South technology transfer, as seen in our VC Summits connecting innovators across regions. Through these efforts, we will help support the wider adoption of proven practices and technologies that drive market transformation.

Through these efforts, we will help support the wider adoption of proven practices and technologies that drive market transformation.

British International Investment

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