



Stories That Matter | June 2024

Africa

USD 5 Billion Deal Signed for Establishment of Africa Energy Bank African Export-Import Bank (Afreximbank) and the Africa Petroleum Producers' Organisation (APPO) recently made history by signing the Establishment Agreement and the Charter of the Africa Energy Bank (AEB). The AEB is designed as an independent and supranational pan-African energy development bank, starting with an initial capital of USD 5 billion. This milestone concludes two years of negotiations and preparations since the signing of a Memorandum of Understanding in May 2022, aiming to establish the AEB.

The AEB's primary objective is to address the imminent void caused by the withdrawal of funding for oil and gas projects in Africa by traditional financiers. With over 125 billion barrels of proven crude oil reserves and over 600 trillion cubic feet of proven gas reserves, Africa needs to tap into these resources to produce energy as it currently has the largest proportion of the world's population living without access to modern energy. While the AEB's focus will be on funding oil and gas projects, it remains open to renewable energy initiatives. The AEB aims to harness all forms of energy to eradicate Africa's energy poverty. Although initiated by Africa, shareholding is open to all investors who align with the mission and vision of the Bank.

Source: Afreximbank