



The Growing Role of Private Equity and Venture Capital in Funding African Business

Private equity (PE) and venture capital (VC) are proving to be vital funding sources for businesses in Africa, offering capital to support their growth and expansion when commercial debt is unavailable or too expensive. Private equity firms typically invest in established businesses with a track record of generating revenue and profits, while venture capital investors will take early stage risk and support startups. These alternative sources of capital have become increasingly important, particularly during the COVID-19 pandemic and its aftermath, which has impacted traditional lending institutions and created a financing gap.