

# New Africa Energy Bank to Invest \$5bn in oil and gas projects

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The proposed Africa Energy Bank, which will focus investment in oil and gas projects across the continent, is set to start operations later this year with an initial \$5bn authorised capital base, a senior official said.



An oil rig lights up Cape Town harbour as the sun sets. The giant floating platforms are becoming regular visitors to the port as the city is marketing itself as the service hub for the lucrative oil fields off the west coast of Africa. Source: Reuters/Mike Hutchings

The bank, a partnership between Afreximbank and the African Petroleum Producers Organisation (APPO), is meant to help plug a funding gap in Africa amid pressure on major banks from environmental groups to shift investment dollars away from climate-warming oil and gas projects.

"Africa should set up its own financing capability so that we can still develop this strategic sector, that is the rationale," Zakaria Dosso, managing director of Africa Energy Investment Corporation (AEICORP), the investment arm of APPO, said.



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He told Reuters that Ghana on Friday deposited just over \$20m to AEICORP, becoming the third African country to pay after Africa's top two crude oil producers, Nigeria and Angola, each deposited \$10m last year to help fund the bank.

"Africa Energy Bank is on the verge of becoming a reality and should be operational during the second half of 2024," Dosso said.

## Middle East investment

It is envisaged that each African member country will contribute a minimum of \$83m for a total of around \$1.5bn, while Afreximbank and APPO as founder members of AFE are expected to match this amount.

The outstanding \$2bn will potentially be sourced from other investors, including Middle Eastern sovereign wealth funds.

Afreximbank did not immediately respond for comment.

Dosso, who is part of the interim steering committee charged with setting up AFE, said six countries - Algeria, Benin, Cote d'Ivoire, Ghana, Nigeria and South Africa - are currently competing to host the headquarters of AFE.

Egypt withdrew its initial application.

"Angola, Libya, Senegal, Venezuela and Afreximbank as members of the selection committee will assess all applicants and present their results before ministers take a final decision," Dosso said.

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