



## Market Shifts and Momentum in West Africa

Dear Partners and Friends,

Ghana's cedi appreciated 40.7% against the US dollar in 2025. That's one of the sharpest currency reversals in modern African economic history, and it didn't happen by accident. Gold-backed intervention played a central role, but the real question is whether this stabilization holds. We walk through what happened and what it means for investors operating in cedi-denominated markets.

Nigeria moved faster on policy reform this quarter than we've seen in years. Tax law changed. Securities regulation changed. Pension frameworks opened new pathways for alternative assets. These aren't abstract developments. They affect how funds structure, how capital deploys, and whether exits pencil out at all.

Dr. Yemi Osindero, Chairperson of the Private Equity and Venture Capital Association (PEVCA), speaks to us this quarter about how Nigeria's private capital industry is responding to the current reform cycle. PEVCA convenes Nigeria's PE and VC industry to advance their collective interests and maximize the sector's economic impact. Our conversation covers capital gains taxation, pension reform mechanics, and the regulatory priorities shaping the investment environment.

Our portfolio companies continue executing. ST Digital launched West Africa's first data center in Côte d'Ivoire, solving a real problem: businesses in the region have been constrained by data sovereignty requirements that force them to store information locally, but infrastructure hasn't existed to support that. Now it does. Impact Life expanded insurance coverage across Ghana while building ESG programs that produce measurable community outcomes, not just reporting metrics.

In April, we're heading to Nairobi for the 22nd Annual AVCA Conference & VC Summit, a flagship gathering of the global and African private capital community. The conference brings together investors, founders, and policymakers to explore the trends and opportunities shaping private capital deployment across Africa. We hope to see you there!

Thank you for your continued partnership.

Warm regards,

**The Uhuru Investment Partners Team.**

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AVCA

## Section 1

## POLICY PULSE: Understanding Ghana's Cedi Appreciation

A Discussion with Kwabena Asante-Poku  
Country Director, British International Investment (BII)

Ghana's cedi delivered one of the most remarkable currency reversals in modern African economic history. By year-end 2025, the Bank of Ghana (BoG) reported a 40.7% appreciation against the US dollar - a sharp break from years of steep depreciation. The currency's strength showed up at forex bureaus, at the ports, and in stabilising import prices. After years of relentless decline, Ghanaians experienced something different: a currency that held its ground.

But what drove this turnaround? The IMF documents about US\$10 billion of foreign currency (FX) market supply/intermediation by BoG through end-September 2025, enabled chiefly by gold-linked inflows and later codified in a new FX Operations Framework. The appreciation was multi-causal: very large FX operations; tight (then cautiously easing) monetary policy; a current-account swing to surplus driven by gold; and a weaker US Dollar. The strategy worked in 2025 - but its durability hinges on policy discipline, FX-market deepening, and active management of gold-price and balance-sheet risks.

Kwabena Asante-Poku, Country Director at British International Investment (BII) and former PwC Partner with deep experience across West Africa, shares insights on what really happened, what it means for investors, and whether such currency stability can be sustained.



**Kwabena Asante-Poku**  
Country Director at British International Investment (BII)

**Q1. Ghana's cedi appreciated by 40% in 2025, outperforming most emerging-market currencies. What was the primary driver behind this dramatic turnaround?**

According to the IMF, the Bank of Ghana supplied about US\$10 billion into the FX market through the end of September 2025, including a striking US\$2.8 billion in the third quarter alone. This was not normal market smoothing. It was deep, sustained FX intermediation, enabled by gold.

Three shifts made this possible:

- 1. Record high gold prices and strong export inflows:** International gold prices surged in 2025, dramatically boosting Ghana's export receipts. The IMF notes that gold accounted for more than half of total exports, driving a strong current account surplus by mid-year. These inflows fed directly into the BoG's Domestic Gold Purchase Programme (DGPP).
- 2. The scale of the DGPP pipeline:** By August 2025, BoG had purchased US\$7.6 billion in gold, and gold constituted over one-third of total reserve assets. This gave the central bank real firepower: gold could be swapped, monetised, or used to generate FX liquidity for market intermediation.



The bottom line is that without gold-enabled FX liquidity at this scale, the appreciation could not have occurred...



**3. A shift to a structured FX Operations Framework:** In October/November 2025, BoG introduced a new rule-based FX framework that:

- separated reserve accumulation, volatility smoothing, and flow intermediation,
- introduced pre-announced FX auctions,
- set monthly intervention budgets, and
- created clearer transparency around FX supply.

The bottom line is that without gold-enabled FX liquidity at this scale, the appreciation could not have occurred, and the ability to mobilise that liquidity was supported by broader improvements in the trade account and the macro framework.

**Q2. Were there other factors that contributed to the cedi's appreciation, and how significant were they compared to the gold-backed intervention?**

Other factors created favourable conditions, but they were supporting actors, not the lead. The Bank of Ghana's tight monetary policy stance, including high interest rates maintained throughout the year and a rate hike in March, made holding cedis more attractive. Aggressive liquidity management reduced excess cedi supply chasing foreign currency. These were important technical measures that any competent central bank would deploy.

The global environment also contributed positively. The US Dollar Index declined by about 9.4% in 2025, providing a boost for currencies worldwide. Ghana benefited from this change, but many emerging

market currencies experienced only modest gains. Ghana's 40% appreciation stands out.

The IMF program provided credibility, and the S&P credit rating upgrade offered validation. These factors helped sustain confidence and prevented capital flight that might have undermined the currency defence. But confidence without capacity is insufficient. The gold revenues provided the capacity; the policy framework and external validation helped ensure that capacity was deployed effectively.

**Q3. What are the sustainability concerns around this currency defence strategy, particularly regarding Ghana's gold reserves?**

This is the critical question for 2026 and beyond. The risk is twofold:

- **Price risk:** Gold prices may not remain at historic highs indefinitely. A correction in international gold markets would simultaneously reduce Ghana's intervention capacity and potentially trigger renewed pressure on the cedi. The IMF warns that a 30% decline in gold prices could reduce reserve cover by ~1.1 months, tightening BoG's ability to intervene or intermediate flows. Gold made up over one-third of Gross International Reserves, creating concentration risk.
- **Structural fragility:** Relying on reserve depletion to maintain a strong currency rather than implementing structural economic reforms creates vulnerability. If that capacity diminishes, the exchange rate will adjust accordingly. The new FX framework's monthly intervention budgets and auction discipline are designed to preserve buffers and prevent open-ended defence. That institutional safeguard is important for sustainability.

**Q4. What does this mean for international investors and businesses operating in or considering Ghana?**

The cedi's appreciation in 2025 was real, and its benefits were widely felt. Businesses could plan with greater certainty, import costs stabilised, and inflation pressures eased. However, investors need to understand what underpins this stability.

The current exchange rate environment is contingent on continued gold-backed intervention. Businesses should:

- **Plan for potential volatility:** The \$1 billion monthly intervention pace cannot continue indefinitely. Exchange rate assumptions for 2026-2027 should incorporate scenarios where intervention capacity diminishes.
- **Monitor data closely:** Ghana's currency defence is directly linked to international gold market dynamics. A significant gold price correction would materially impact the cedi outlook. Also track FX auction (size and uptake), gross and net international reserves, balance of trade and compare to targets set.
- **Watch for structural reforms:** The breathing room created by currency stability provides an opportunity for deeper economic transformation. Whether Ghana pursues export diversification, productivity improvements, and fiscal consolidation will determine the medium-term sustainability of its currency.
- **Assess hedging strategies:** Given the finite nature of the intervention capacity, businesses with significant cedi exposure should revisit hedging frameworks and scenario planning.

#### Q5. What should Ghana's policymakers prioritise to build sustainable currency stability beyond the gold windfall?

Ghana's policymakers deserve credit for seizing an opportunity. Record gold prices created unprecedented fiscal and monetary space, and the decision to deploy those resources for currency stabilisation delivered real benefits. But transparency about the trade-off is essential.

The path forward requires honest acknowledgement that currency stability built primarily on reserve depletion is inherently temporary. Ghana must use the breathing room wisely:

- **Diversify export base:** Reduce dependence on commodities by developing competitive advantages in services and light manufacturing.
- **Improve productivity:** Invest in infrastructure, skills, and business environment reforms that enhance competitiveness.
- **Fiscal consolidation:** Maintain discipline to reduce the structural pressures that generate currency weakness.



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- **Build foreign exchange buffers through structural means:** Focus on attracting sustainable foreign direct investment and developing non-gold export sectors.

The gold windfall bought time and stability. The question now is whether that time will be used to build sustainability beyond the gold foundation.

#### CONCLUSION

Ghana's 2025 currency stabilisation was real, significant, and backed by policy. The combination of gold allowed for large-scale FX intermediation, along with strict yet credible macroeconomic policies and a formal FX operations framework, resulting in an appreciation few expected. The challenge in 2026 is to transform this successful stabilisation into a lasting equilibrium—by maintaining disciplined policies, improving market infrastructure, and managing the risks associated with a gold-dependent buffer. For investors and businesses, the message is clear. The current currency environment presents opportunities but also demands careful risk assessment. The gold leverage worked remarkably well in 2025, but it cannot be relied on indefinitely. Those who position themselves with this understanding, benefiting from current stability while preparing for potential future volatility, will be best placed to navigate Ghana's next chapter.



**Dr. Yemi Osindero**

Chairperson, PEVCA / Managing Partner, Uhuru Investment Partners

In view of the significant policy reforms in Nigeria in 2025, we spoke with Dr. Yemi Osindero, Chairperson of the Private Equity and Venture Capital Association of Nigeria (PEVCA). While Dr. Osindero is also the Managing Partner and co-founder of Uhuru Investment Partners, he speaks here strictly in his capacity as PEVCA Chair, reflecting the Association's collective engagement with regulators, institutional investors, and ecosystem stakeholders. The conversation covers capital gains taxation, pension reform mechanics, and the regulatory priorities that will define 2026. These themes will come into sharp focus at PEVCA's Policy & Capital Summit on 25 March 2026 in Lagos, Nigeria. If you're investing in Nigeria or exploring the opportunity, we invite you to join us there.

### **1. From PEVCA's perspective, what defined 2025 for Nigeria's private capital ecosystem?**

2025 saw sweeping, simultaneous reform. Changes to tax policy, securities regulation, pensions, and foreign exchange frameworks unfolded rapidly, demanding sustained technical engagement from the industry. The challenge was not responding to individual reforms, but understanding their combined effect on fund structuring, deployment, valuation, and exits. That cumulative impact defined PEVCA's work this year.

## Section 2

# In Conversation with Dr. Yemi Osindero, Chairperson, Private Equity and Venture Capital Association of Nigeria (PEVCA)

### ► *Uhuru's Take*

### **2. Why did tax reform feature so prominently?**

The Nigeria Tax Act 2025 marks a structural shift, particularly through changes to capital gains taxation and indirect transfer rules. These reforms directly affect exit economics, capital recycling, and fund viability. PEVCA has prioritised clarity and proportionality in implementation, recognising that private capital operates on different time horizons and risk profiles from public markets.

### **3. How has PEVCA engaged with regulators during this reform cycle?**

We've focused on implementation as much as legislation. Outcomes depend on interpretive guidance, supervisory alignment, and practical administration. PEVCA has pursued technical dialogue through formal submissions, committee discussions, and regulatory forums to ensure that fund lifecycle realities, valuation practices, and cross-border considerations are understood.

### **4. What role do pension reforms play?**

Pension reform could be transformative. Clearer pathways for alternative assets and co-investment structures could mobilise domestic institutional capital at scale. This requires alignment across regulators, trustees, and managers. PEVCA supports

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**The Nigeria Tax Act 2025 marks a structural shift, particularly through changes to capital gains taxation and indirect transfer rules**

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frameworks that balance prudential safeguards with commercial viability, enabling domestic capital to act as patient, long-term funding.

#### **5. Beyond tax and pensions, which regulatory themes mattered most in 2025?**

Governance, fund classification, and valuation standards. Recent SEC rule changes strengthened oversight, but also raised questions around proportionality, fee structures, and administrative burden. We've focused on ensuring that governance enhancements protect investors without constraining innovation or new manager formation.

#### **6. How does Nigeria compete with peer markets?**

Competitiveness today depends less on incentives than on predictability. Investors value clarity, consistency, and the ability to plan across the

full investment lifecycle. PEVCA's advocacy emphasises coherence across fiscal, regulatory, and FX frameworks. Nigeria competes for capital regionally and globally.

#### **7. What are PEVCA's priorities for 2026?**

The focus in 2026 is consolidation and execution. Priorities include investor-sensitive CGT implementation, alignment between SEC and PenCom frameworks, clarity for private debt and infrastructure vehicles, and sustained dialogue on FX consistency.

Equally important is building capability across governance, professional standards, and data quality to meet evolving LP expectations.

#### **8. How do FX dynamics fit into these priorities?**

FX affects entry pricing, operating performance, and exit feasibility. While stabilisation helps, predictability matters more than short-term movements. FX frameworks that support confidence and capital mobility are essential to sustaining long-term private investment and value creation.

Taken together, the policy developments of 2025 and the priorities for 2026 reinforce a central theme: private capital is most effective where regulatory, fiscal, and market frameworks are coherent and predictable. As an active participant in the ecosystem, we welcome PEVCA's continued engagement in ensuring that industry perspectives are constructively reflected in policy dialogue, and we wish Dr. Osindero and the Association every success as this work continues.



*Dr. Osindero with the DG, Securities and Exchange Commission, Dr. Emomotimi Agama - leading PEVCA's advocacy at SEC's Capital Markets Committee meeting.*

## Section 3

## Recent Portfolio Company Milestones

### ► *Value Creation Spotlight*



ST Digital launched its first West African data center in Côte d'Ivoire on 2nd of October, marking a significant step for the region's digital infrastructure. The facility runs entirely on African cloud infrastructure, which means data from local businesses and government entities stays on the continent. For companies operating in Côte d'Ivoire, this solves a persistent problem: data sovereignty. Until now, most organizations had to store sensitive

information on servers located overseas, creating regulatory headaches and security concerns. ST Digital's approach keeps that data local, giving businesses more control and helping them meet compliance requirements. The data center also promises faster access speeds and more reliable service for West African users who previously depended on distant server locations.



Impact Life serves over 100,000 clients across Ghana's corporate, retail, and micro insurance sectors. But their approach goes beyond selling policies. The company has built its ESG strategy around tangible programs that directly benefit employees and communities. Their sales team receives free medical insurance, a meaningful benefit in a market where healthcare coverage isn't standard. They have launched breast cancer screening initiatives for women in the communities

they serve. And they organize regular environmental cleanups, addressing waste management issues in local areas. It's a practical take on corporate responsibility: identify specific needs, then create programs that address them. For a financial services company operating in emerging markets, this kind of community engagement is not just good PR. It builds trust and long-term relationships in sectors where both matter enormously.



## Section 4

## 22nd Annual AVCA Conference & VC Summit



### Annual AVCA Conference & VC Summit 2026

We will be heading to Nairobi this April for the AVCA Conference & VC Summit and hope to see you there.

This flagship gathering will bring together the global and African private capital community under the theme **“Break the Mold: Reshaping the Future of African Private Capital.”** The conference offers thoughtfully curated insights, high-impact networking, and opportunities to engage with

the investors, founders, and ideas shaping the continent’s investment landscape.

If you will be attending and would like to schedule a meeting with our team, please reach out to us at [info@uhurucap.com](mailto:info@uhurucap.com).

**Venue:** Radisson Blu Hotel, Nairobi Upper Hill

**Date:** Monday, 27 April - Friday, 1 May 2026