Africa: The New Business Frontier

03 November 2011
Changing perceptions

2000: The Economist cover - The hopeless continent

2010: Accenture report - Africa: The new frontier for growth

Executive Summary

High performance. Delivered.

• Consulting • Technology • Outsourcing
### What has changed in Africa?

<table>
<thead>
<tr>
<th>Local environment</th>
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<td>Increased <strong>political stability</strong> is inspiring confidence in regional governments</td>
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<td><strong>Demographic dividend</strong> is resulting from a robust labor force</td>
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<th>International investment</th>
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<td>Responding to political stability, <strong>foreign capital</strong> is finding a safe haven in Africa</td>
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<td>More transparent markets are enabling the flow of <strong>foreign technology</strong></td>
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+ **Homespun innovation is resulting from changing realities in Africa’s investment climate**
Africa and Telecom

49M Number of mobile phones in Africa in 2002

500M Number of mobile phones in Africa today

2020 Year in which mobile penetration will reach 100%

Source: Praekelt Foundation
Mobile financial services close-up: M-Pesa

A mobile money transfer service developed by Safaricom that has changed the face of Kenyan finance

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<tr>
<th>Problem addressed</th>
<th>Solution provided</th>
<th>Impact</th>
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<tbody>
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<td>Inconvenient and prohibitively expensive framework for financial transactions</td>
<td>Ability to send and receive low-cost remittances, transfers, and payments via mobile phone</td>
<td>14 million M-Pesa users transferring the equivalent of 11% of Kenya’s GDP annually</td>
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Mobile financial services close-up: Acumen Fund Investee

**Investee**

*Provides affordable solar electricity home systems using a “pay-per-use” model*

**Problem addressed**

Wasteful, routine spending on **expensive and dirty kerosene** for home lighting

**Solution provided**

Affordable solar electricity for **less than the cost of kerosene** with very little down payment

**Impact**

Aims to sell affordable solar power to **millions worldwide** by 2025
Social Networks for Public Good: Ushahidi

Ushahidi  Free, open source software for information collection, visualization and interactive mapping

Problem addressed

No platform to document eyewitness accounts of unrest, disasters, and other emergency situations

Solution provided

Free crowd sourcing software enabling anyone with data connection to upload media and testimonials

Impact

Real-time eyewitness accounts of recent crises in Kenya, Haiti, the Middle East, the Gulf of Mexico, etc.
Acumen Fund
Investing in game-changing companies
Investing in leaders
Investing in ideas that change the world
The East Africa portfolio is growing rapidly...

Cumulative Approvals

11+M
LIVES IMPACTED

500+
JOBS CREATED

$12M
CAPITAL LEVERAGED

$15M
REVENUES EXPECTED TO BE GENERATED BY PORTFOLIO COMPANIES IN 2011

$0.43M
CAPITAL EXPECTED TO BE RETURNED TO ACUMEN FUND BY PORTFOLIO COMPANIES IN 2011
Portfolio creating significant social impact every year

- >29 million bednets
- 6 million toilet uses
- 32,000 farmers served
- 10 million meals
- 7,000 clients
- 350,000 farmers served
African innovation

- Africa is not just the next frontier, but also the hub for some world-changing innovations.
- Businesses and investors that want to succeed in Africa need to understand local context well and price the risk correctly.
Agenda

• Concept of patient capital
• Investments that yield both financial and social returns: Western Seed
• How can small-scale investments produce a knock-on effect for the whole economy?
• What does this mean for investors?
THANK YOU