



# Channelling capital into Sub-Saharan Africa



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- It is now widely accepted that the private sector is one of the fundamental pillars to strengthening economies... and consequently reduce poverty
- The role of the private sector in Ghana was again confirmed in the 2000 Population and Housing Census, where 80% of the working population was found to be in the private informal sector

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- Providing capital should come with technical assistance as a package in these markets
- Although there have been a number of initiatives to address the lack of capital, there is still a supply gap especially in providing risk capital for SME and SGB.
- SME and SGB are more vulnerable during the early stages and the process of managing growth stages.
- Again TA and mentoring are equally as critical as providing finance and should go hand in hand.

# The increasing need of risk capital in emerging markets

## Why risk capital is critical

- Some of these projects take longer than typical loan terms available
- Pioneer projects with substantial social benefits to be achieved may involve initially establishing vertical integrated operations, and then at a later date learning to disintegrate more supportive industries become widely available
- Initial set up cost tends to be higher and hardly totally captured in the business plan. Debt finance tend to be more stressful in these circumstances

# The increasing need of risk capital in emerging markets

- Aspen provides a unique forum where key players can come together and determine efficient and effective ways to channel capital whilst addressing the fundamental support needed i.e.
  - Training for investment advisors
  - Access to TA
  - Sharing Experience

# Going forward

- I see this as a great opportunity because stakeholders can collectively in the spirit of Aspen, be a catalyst to bring economic wellbeing and dignity to people, whilst still ensuring that investors make good returns on their capital which has been channelled to targeted emerging market.