Africa Recovery and Resilience Plan

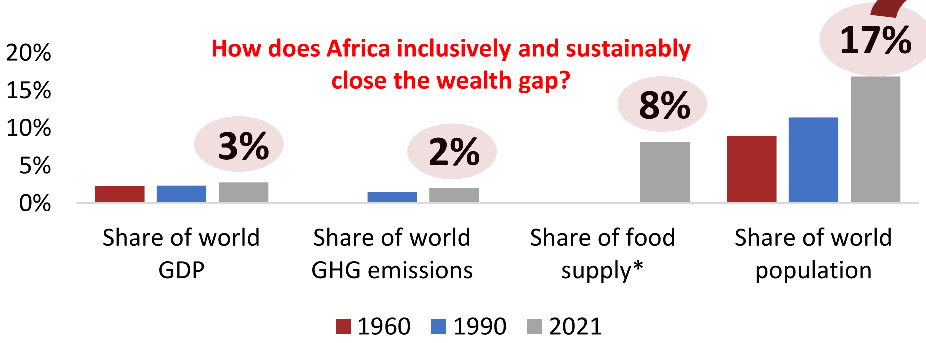
Social and economic transformation plan for Africa

EQUITY

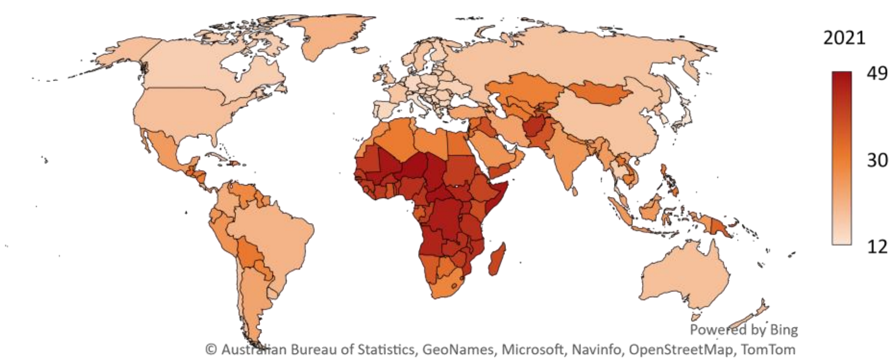
Africa's central problem statement…25% of the world's population in 2050 BUT currently only 3% of world's wealth

Africa's CURRENT position

Africa's economic and social stake reflects increasing and unsustainable global inequalities and imbalances

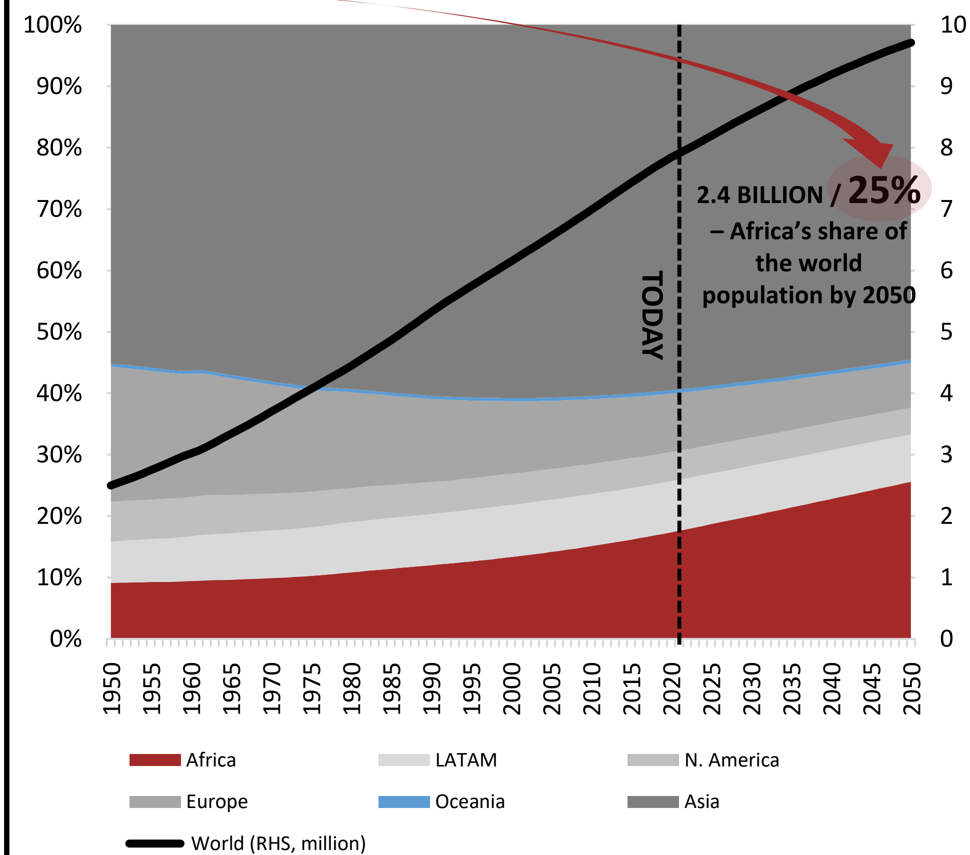


Africa's population below the age of 15 will be tomorrow's global labor market and consumption market (% of population)



Africa's FUTURE position

Where will the population be located by 2050

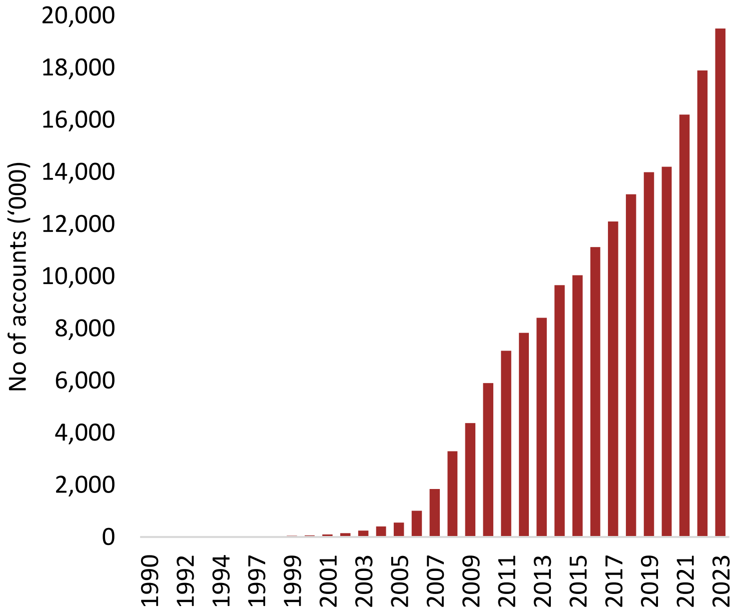


Source: World Bank, UN, WHO. *FAO data for 2019 and measured in tonnage, Equity Strategy

Equity Group corporate philosophy and business model

Equity Group history anchored by purpose and a vision of a socially and economically transformed Africa

FINANCIAL INCLUSION
CUSTOMER-CENTRIC



SOCIAL & ECONOMIC TRANSFORMATION
ECOSYSTEM-CENTRIC

AFRICA RECOVERY AND RESILIENCE PLAN

Pillar 1(a): Food & Agriculture
Pillar 1(b): Extractives
Pillar 2: Manufacturing & Services
Pillar 3: Trade & Investment
Pillar 4: MSMEs
Pillar 5: Social & Environmental Transformation
Pillar 6: Technology-Enabled Ecosystem

CORPORATE PHILOSOPHIES

Purpose: Transforming lives, giving dignity and expanding opportunities for wealth creation
Vision: To be the champion of the socio-economic prosperity of the people of Africa

Source: Equity Strategy

Equity Group business model anchored by social, economic and sustainability engines

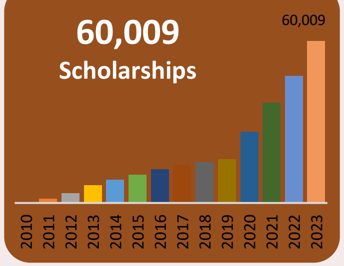
EQUITY

Equity Group business model underpinned by SOCIAL, ECONOMIC and SUSTAINABILITY engines that capacitate value chains sustainably and support communities

BUILDING CAPACITY IN VALUE CHAINS

EDUCATION AND LEADERSHIP DEVELOPMENT → TOMORROW'S PRODUCTIVE ECONOMY

60,009
Scholarships



Wings to Fly (WTF)
- 97% secondary school completion
- 82% attained university entrance

Equity Leaders Program
- 23,825 university scholars
- 8,878 paid internships

TVET
- 3,471 WTF alumni accessed TVET

FINANCIAL LITERACY → TOMORROW'S CONSUMER

2.4m
Women & Youth Trained in Financial Education

ENTREPRENEURSHIP TRAINING → TRAINING TOMORROWS EMPLOYER

556,929 Entrepreneurs Trained / financed

KES 291bn
Loans to 297,791 MSMEs under Young Africa Works

FOOD & AGRI → TRANSFORMING SUBSISTANCE FARMERS TO SUSTAINABLE AGRI-BUSINESSES

3.8m Farmers impacted

302,394 SME farmers supported to access agricultural finance

SUPPORTING COMMUNITIES

SOCIAL PROTECTION → PROVIDING A BRIDGE TO A BETTER TOMORROW

5.4m Individuals reached

KES 143bn Cash transfers

ENERGY & ENVIRONMENT → GROWING FOR A SUSTAINABLE FUTURE

26.8m trees planted

430,316 Clean energy products distributed

HEALTH → A HEALTHY HOUSEHOLD IS A PRODUCTIVE HOUSEHOLD

Equity Afia

114 Clinics opened

2.4m Patient visits

Source: Equity Strategy

Equity Group's tri-engine business model executed through ecosystem approach that holistically supports value chains and households

EQUITY

FLOW OF GOODS, SERVICES, DATA AND VALUE

ECONOMIC ENGINE

SOCIAL ENGINE

SUSTAINABILITY ENGINE

ENTERPRISES

INSURANCE

CASH MANAGEMENT

ENTREPRENEURSHIP TRAINING
TRAINING TOMORROW'S EMPLOYER

HOUSEHOLDS

PAYMENTS

FINANCING

FINANCIAL LITERACY
TOMORROW'S CONSUMER

EDUCATION & LEADERSHIP
TOMORROW'S PRODUCTIVE ECONOMY

SUSTAINABILITY
Creating sustainable value chains and communities

FOOD & AGRI TRANSFORMING SUBSISTANCE FARMERS TO SUSTAINBLE AGRI-BUSINESSES

WORKING CAPITAL FINANCE

CAPEX

SOCIAL PROTECTION
PROVIDING A BRIDGE TO A BETTER TOMORROW

HEALTH
A HEALTHY HOUSEHOLD IS A PRODUCTIVE HOUSHOLD

INSURANCE

CONTENT

Source: Equity Strategy

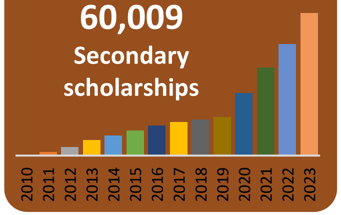
Equity Group ecosystem and holistic approach entails strong collaboration and partnerships resulting in shared prosperity

EQUITY

Circular and symbiotic relationships – shared prosperity

Circular and holistic approach to catalysing value chains

60,009
Secondary scholarships



Secondary students transitioned to tertiary

Equity Leaders Program
- 18,735 university scholars

Qualifying doctors become entrepreneurs

Equity Afia **114** Clinics opened

Entrepreneurship training for the entrepreneurial doctors

Provision of banking and insurance services

Environmental conditions attached to loan facilities

Symbiotic relationship with communities

Agency banking

Working with the community to provide financial services

Agency banking

Partnerships and collaboration

Funding partners

IFC International Finance Corporation World Bank Group; African Development Bank; European Investment Bank; KfW DEG; Rabobank; Proparco; CDC Investment works; Swedfund; Norfund; FMO Entrepreneurial Development Bank; African Guarantee Fund; Mastercard Foundation

Social and technical partners

Mastercard Foundation; NRC Norwegian Refugee Council; UNKEA; World Bank Group; German Cooperation; Care; UNHCR The UN Refugee Agency; Peace Winds Japan; SNV; European Investment Bank; IFAD; FAO Fiat Panis; WFP; World Vision; KfW DEG; UNICEF; USAID From the American People; UNDP; AGRA; Norad; IFC International Finance Corporation World Bank Group; ILO; European Union; Save the Children; UKaid from the British people; Harambee; Australian Aid; Rabobank; African Development Bank; FMO Entrepreneurial Development Bank; Norfund; ICRC; Oxfam; UNOPS; Windle Trust International

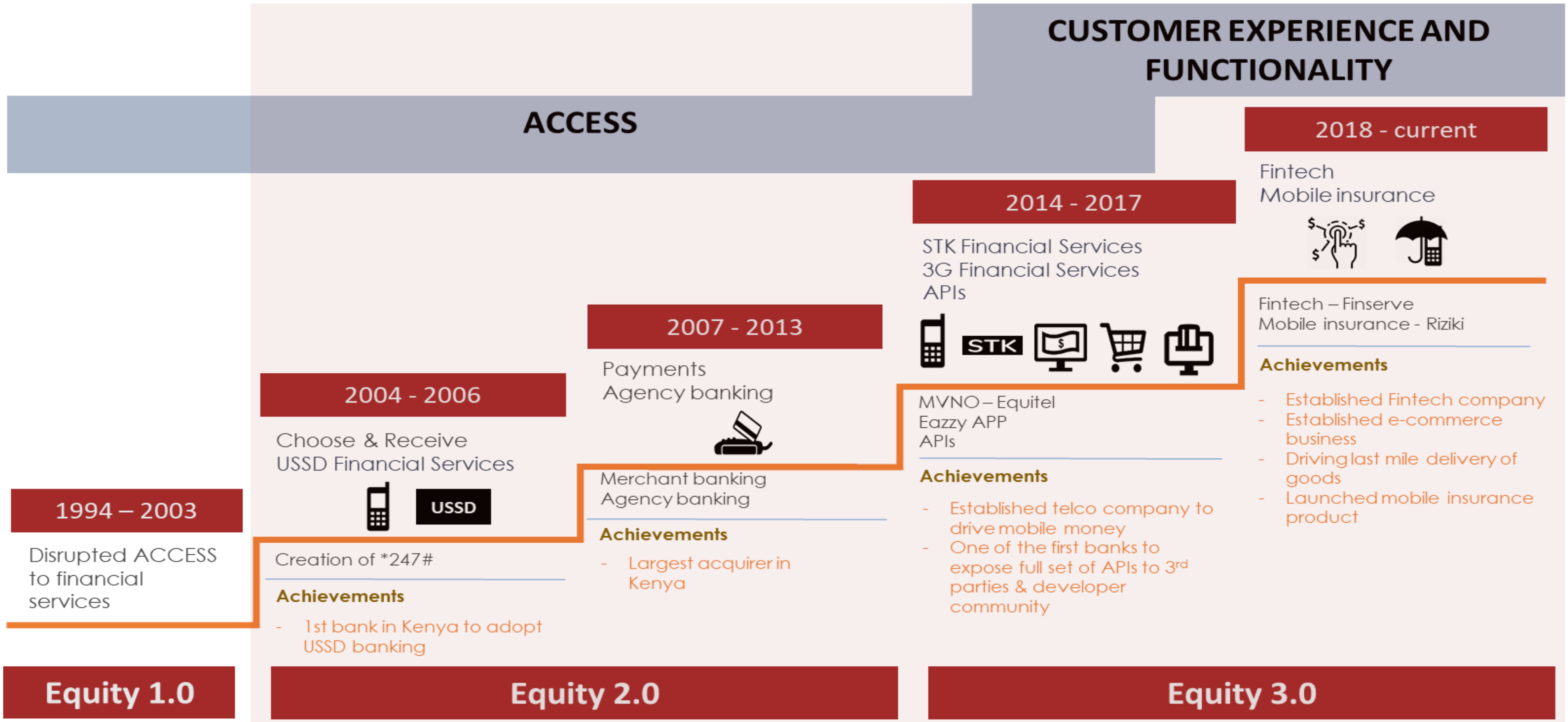
ECONOMIC ENGINE

SOCIAL ENGINE

SUSTAINABILITY ENGINE

Source: Equity Strategy

Equity Group has historically leveraged off technology to enable and scale its social and economic transformation agenda



Source: Equity Strategy

Africa Recovery and Resilience Plan to drive circular outcomes

EQUITY

Holistic, circular and sustainable approach to shared prosperity…social and climate conscience transformation

HOUSEHOLDS

5.4m individuals reached for social transfers in

2.4m Women and youth trained on financial education

3.8m Small-scale and peasant farming households access finance

1.27m Jobs created

Financial literacy training

Provision of financial services

1(a). Household productivity supported by education scholarships

1(b). Household productivity supported by entrepreneurship

2. Secondary students transitioned to tertiary

60,009 Secondary scholarships

23,825 University scholars
3,471 TVET students

3. Qualifying doctors become entrepreneurs

Green financing

5. Growth in businesses create jobs

ENTERPRISES

556,929 MSMEs supported with training and loans

297,791 Small and medium-scale agri-preneurs access finance

93,885 MSMEs provided with mentorship

Provision of financial services

Entrepreneurship training

4. Growth in businesses

114 Health clinics

Equity Afia

ENVIRONMENT

26.8m Trees planted

376,122 Trees saved by transitioning wood burning school kitchens to transition energy sources

1.5m People benefited from clean energy devices

375,683 Households reached with renewable energy

Climate financing

Source: Equity Strategy

ECONOMIC ENGINE | SOCIAL ENGINE | SUSTAINABILITY ENGINE

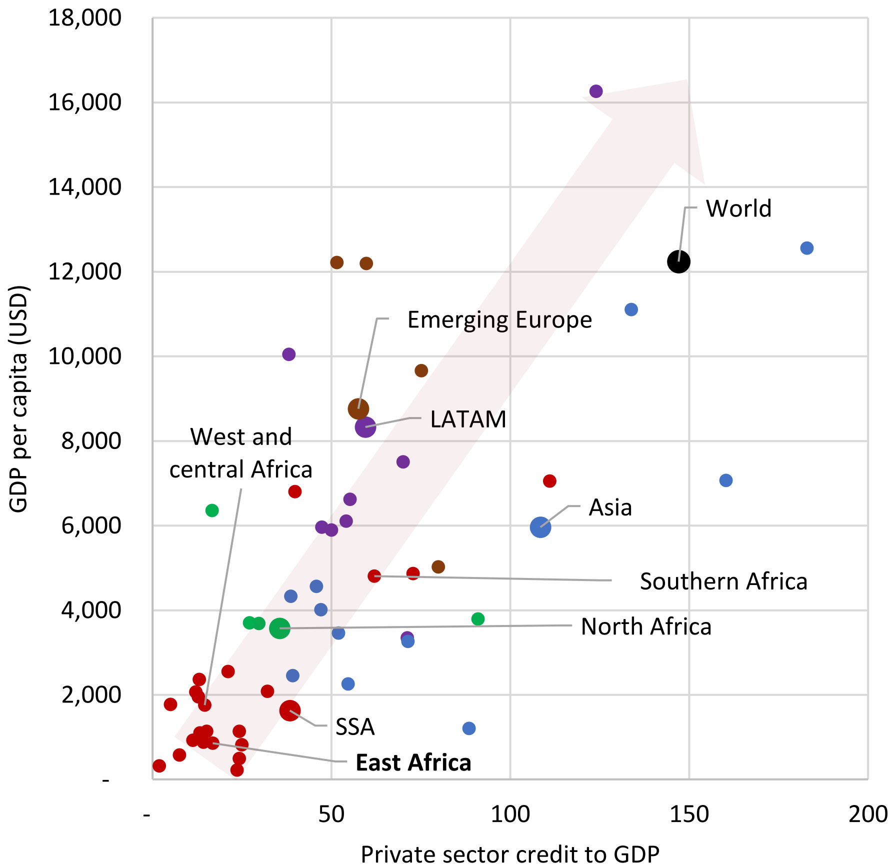
Why Africa?

Africa’s secular growth and economic opportunities

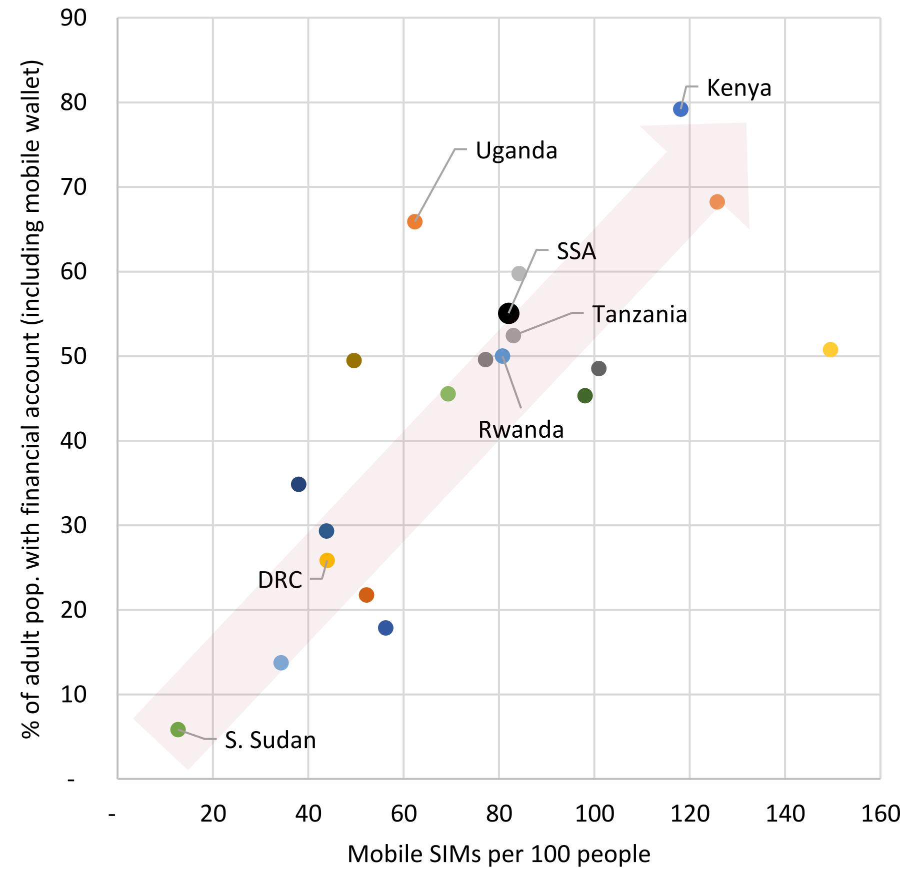
Secular growth and economic opportunities driven by (1) productivity gains – access to financing

Improving financial inclusion of households and businesses to have multiplier effects as value chains and ecosystems are catalysed

Financial inclusion to accelerate economic growth



Mobile penetration supporting financial inclusion

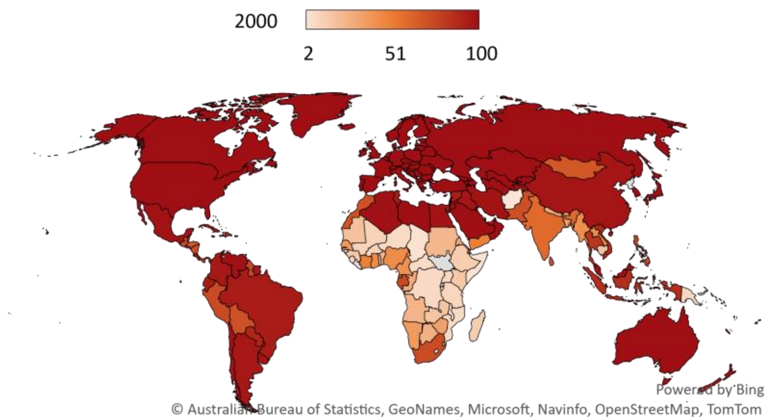


Source: World Bank, Equity Strategy. SSA = Sub-Sahara Africa. LATAM = Latin America

Secular growth and economic opportunities driven by (1) productivity gains – access to infrastructure

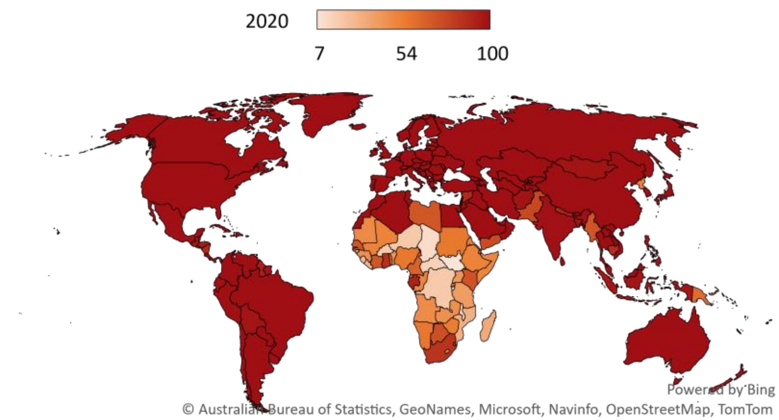
POWER GENERATION

Access to electricity (% of population)



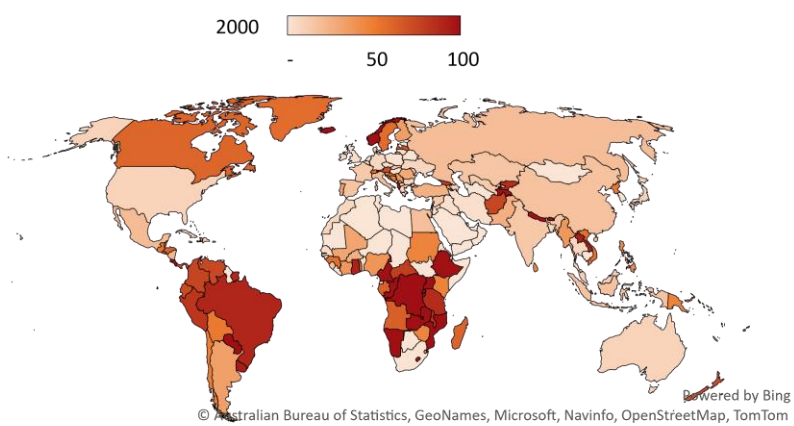
Access to electricity over the past 20 years has improved, particularly in east Africa supporting more diversified and deeper value chains for businesses to target

Access to electricity (% of population)



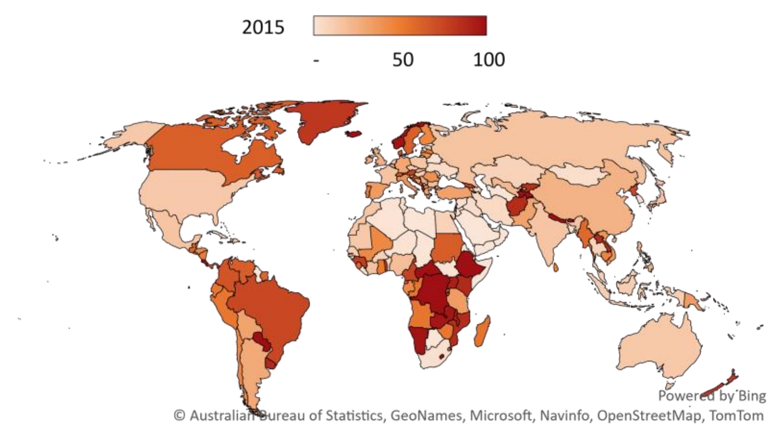
SUSTAINABLE GENERATION

Renewable power generation (% of total)



East and central Africa electricity generation the highest in the world in terms of % that is renewable and provides significant attraction for global companies looking to diversify their supply chains as well as support net zero emissions targets

Renewable energy (% of total)



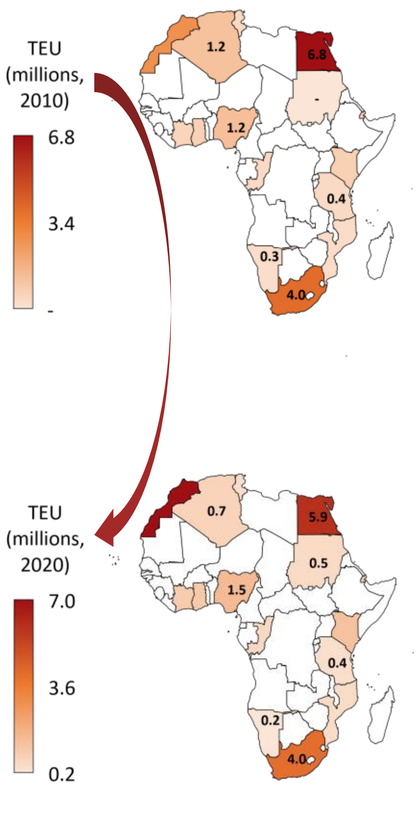
Source: World Bank, Equity Strategy

Secular growth and economic opportunities driven by (1) productivity gains – access to infrastructure (continued)

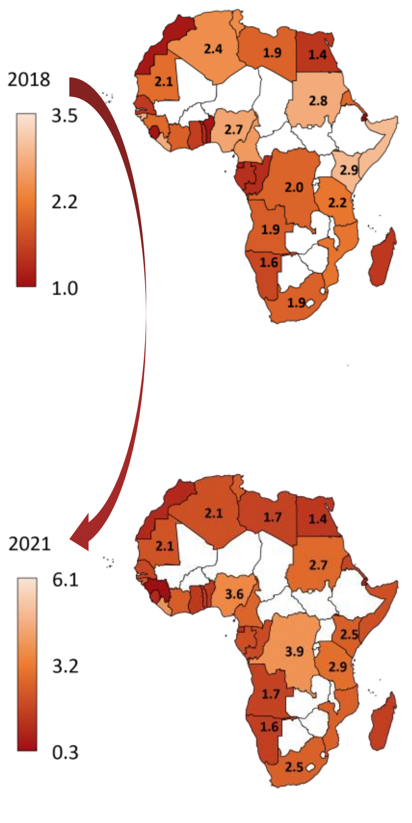
EQUITY

East Africa rapidly becoming the logistical hub and gateway into Africa

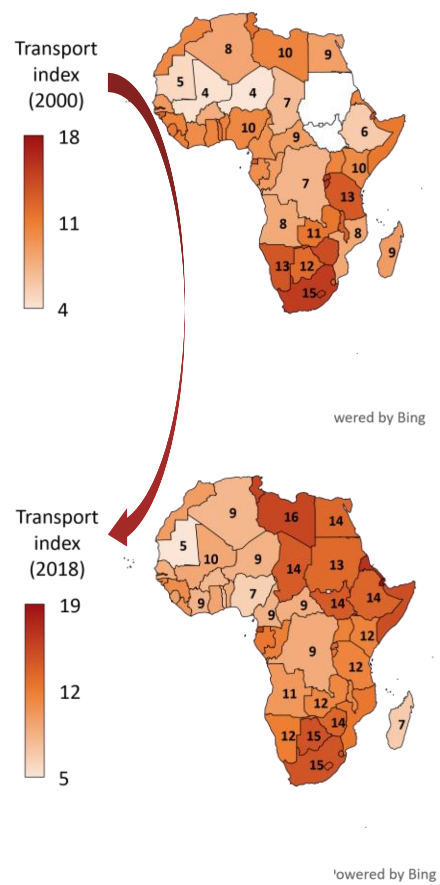
Port activity - containers



Median time in port (days)

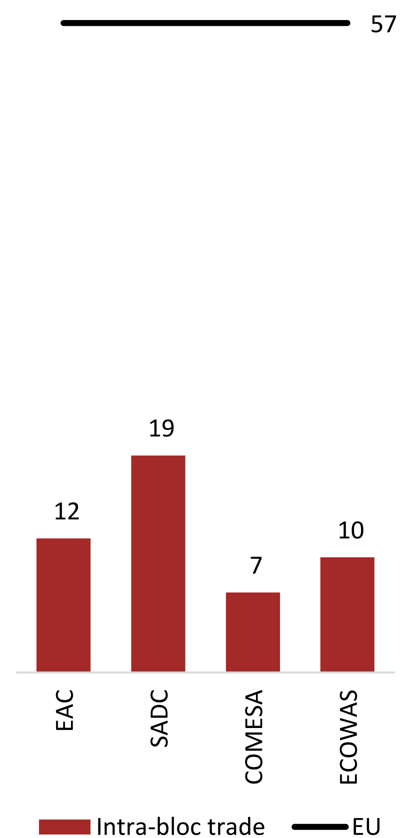


Transport capacity



East Africa integration positioning the region as the anchor and gateway to One Africa

Trade between members of regional trade blocs (%)

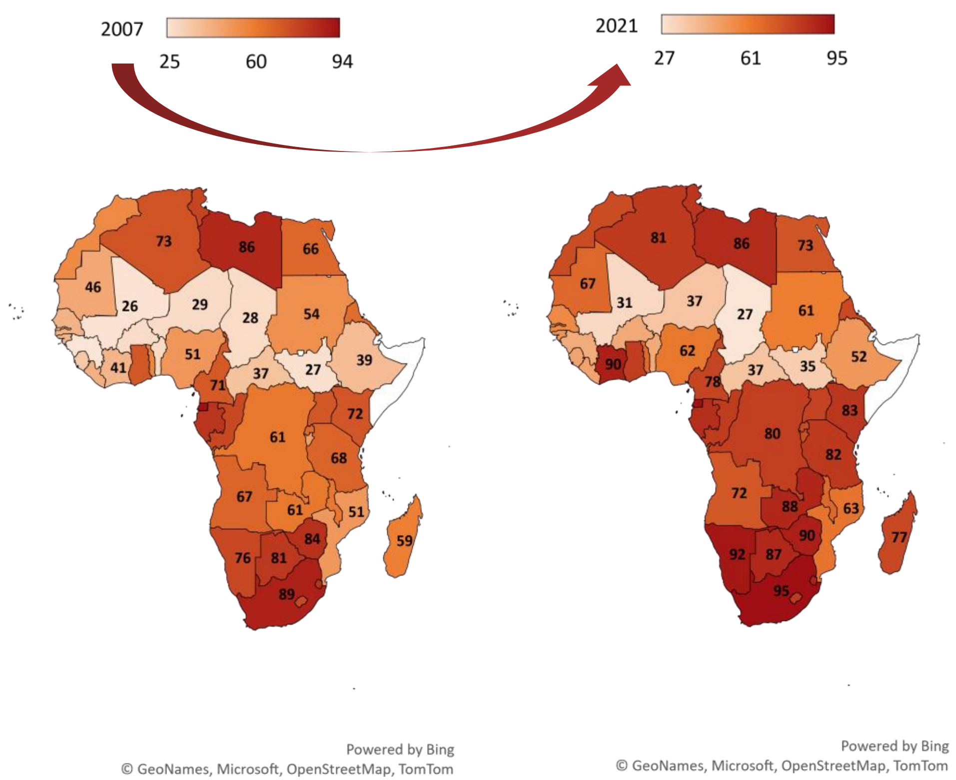


Source: UNCTAD, Equity Strategy

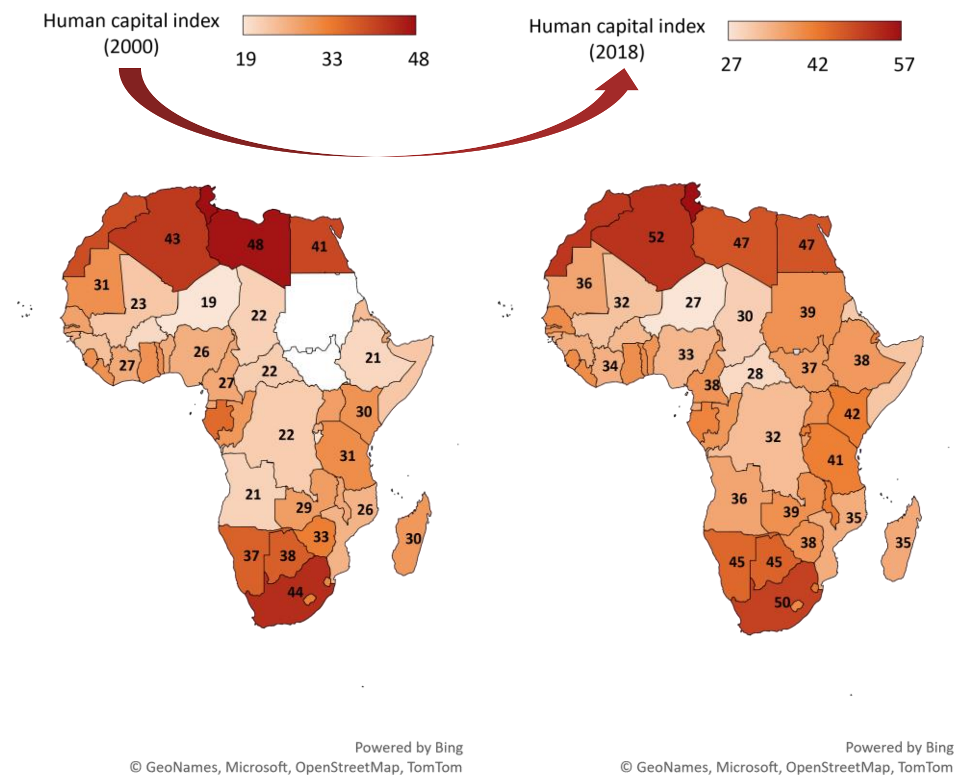
Secular growth and economic opportunities driven by (1) productivity gains – improving labour productivity

EQUITY

Improving literacy levels



Improving labour productivity

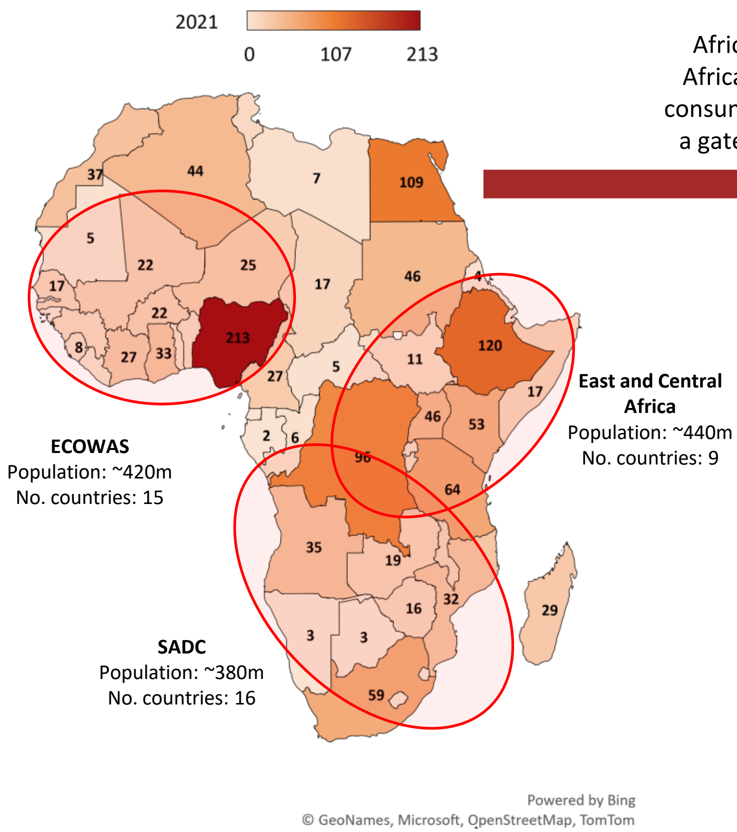


Source: UNCTAD, World Bank, ILO, Equity Strategy

Secular growth and economic opportunities driven by: (2) demographic dividend – large and young population

East and central Africa a high population region

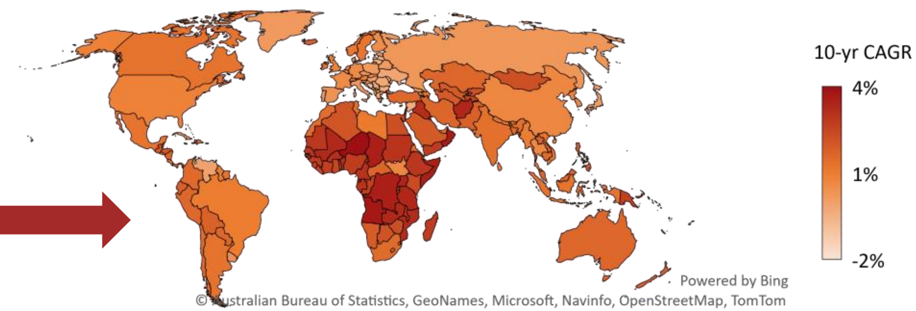
Population (m)



Africa, particularly east Africa, provide a sizeable consumer market and act as a gateway hub into Africa

Africa population growth remains the highest in the world

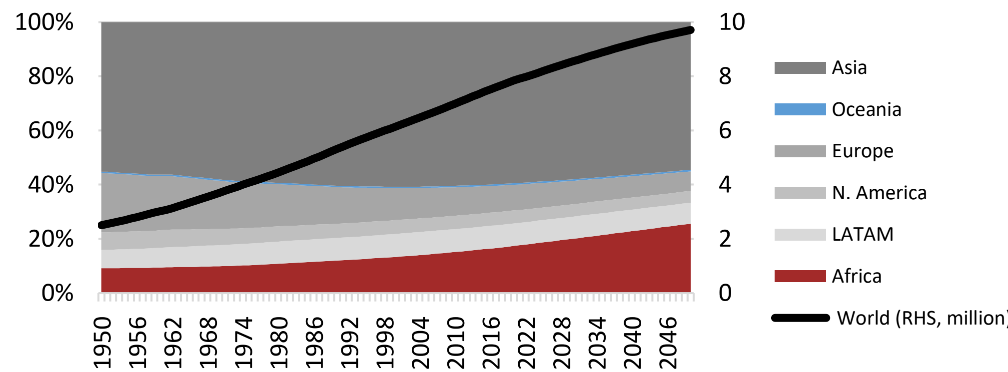
Population growth



2.4 BILLION / 25% – Africa's share of the world population by 2050 (currently 17%)

Africa to become the most relevant consumer market

Where will the population be located by 2050

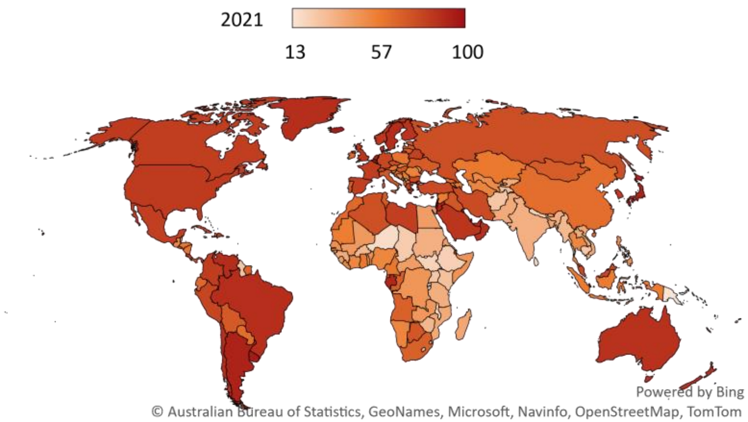


Source: World Bank, UN, Equity Strategy

Secular growth and economic opportunities driven by: (2) demographic dividend – population accessibility and improving purchasing power

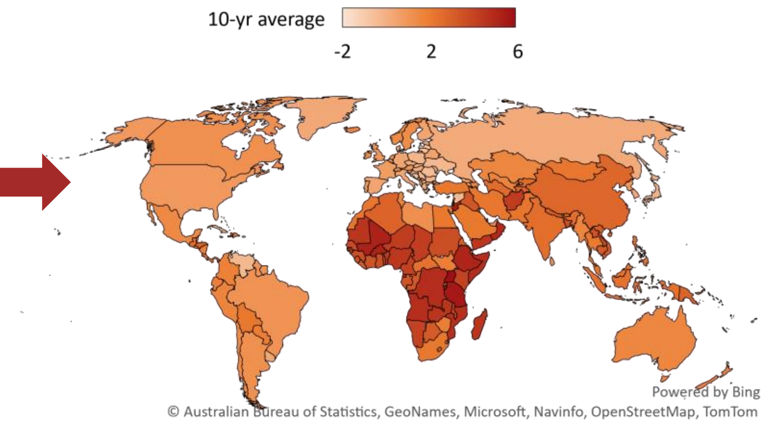
URBANISATION

Urban population (% of total population)



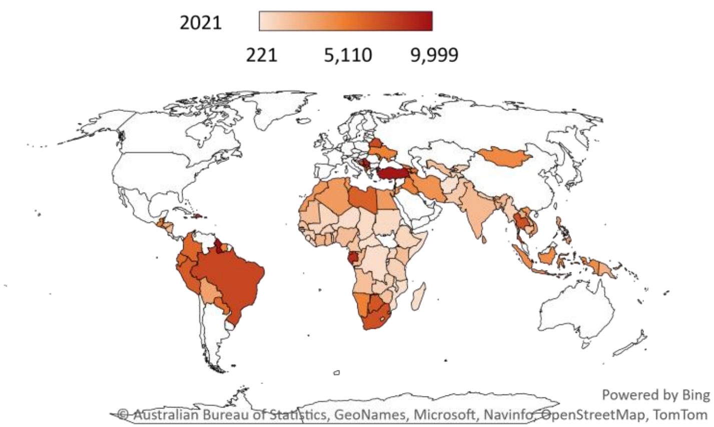
Market accessibility and evolving consumer patterns

Urban population growth rate



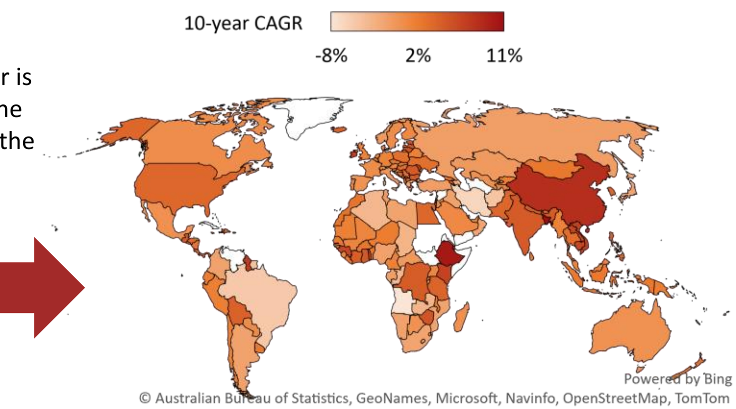
PURCHASING POWER

GDP per capita below $10,000



Whilst purchasing power is amongst the lower in the world but also amongst the fastest growing

GDP per capita growth



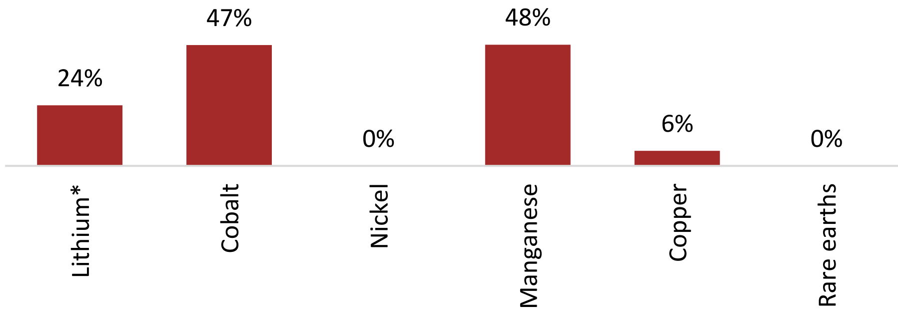
Source: World Bank, Equity Strategy

Secular growth and economic opportunities driven by (3) natural resources – to catalyse broader and deeper African value chains

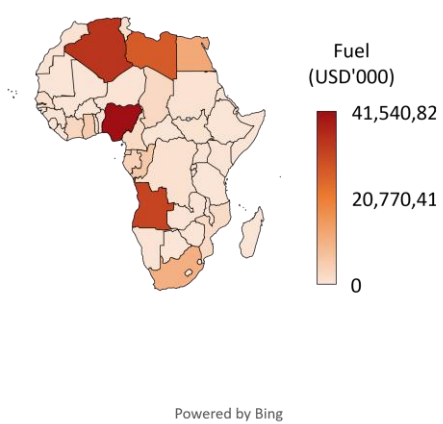
EQUITY

Africa remains a key commodity hub

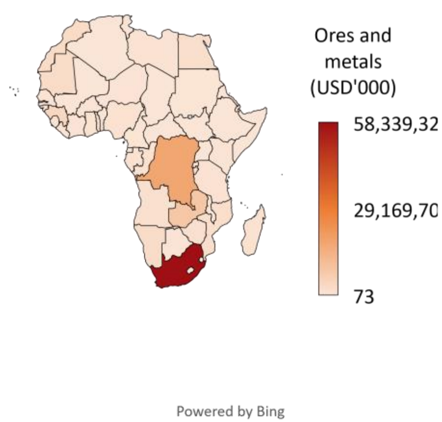
Critical commodities in a green future - Africa reserves % world total



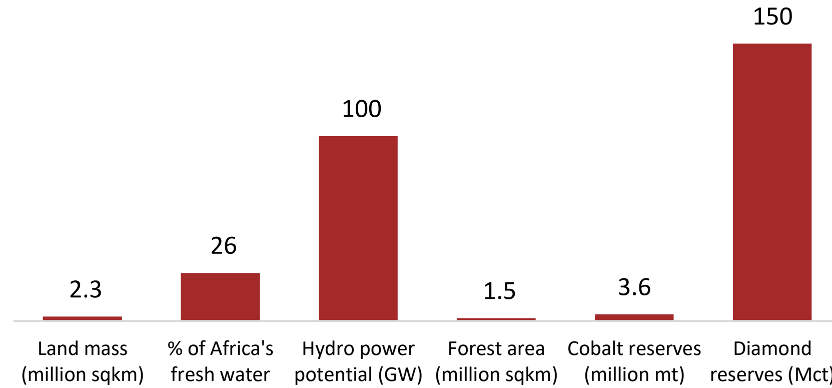
Fuel exporters

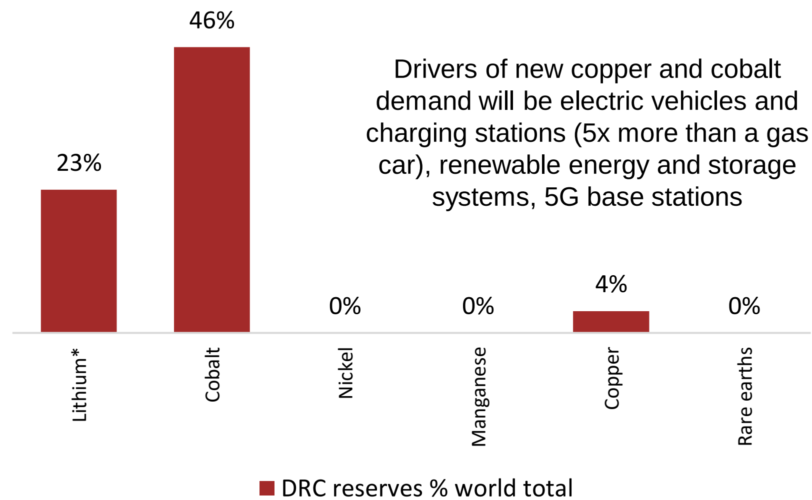


Ore and metal exporters



DRC a critical natural resource hub



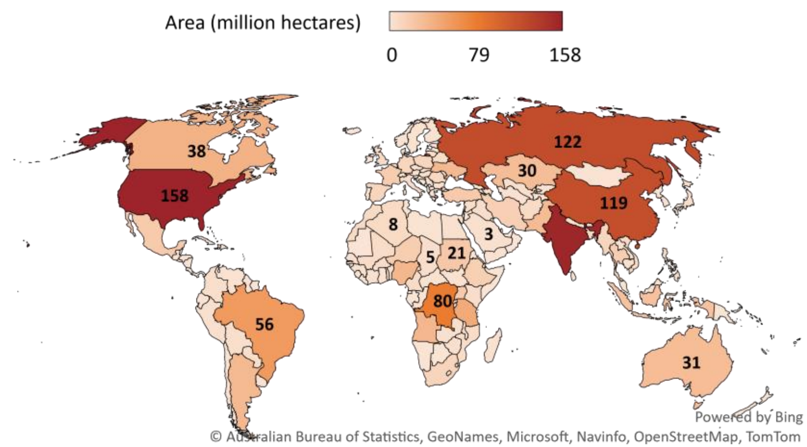


Drivers of new copper and cobalt demand will be electric vehicles and charging stations (5x more than a gas car), renewable energy and storage systems, 5G base stations

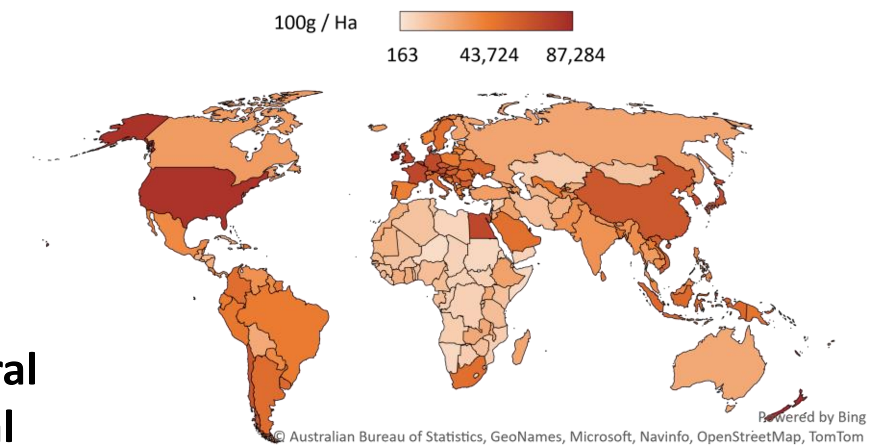
Source: World Bank, UN, Reuters, UNOC, Tullow Oil, USGS, Equity Strategy. *Equity Strategy estimate on recent discoveries

Secular growth and economic opportunities driven by (3) natural resources – to catalyse broader and deeper African value chains (continued)

Arable land

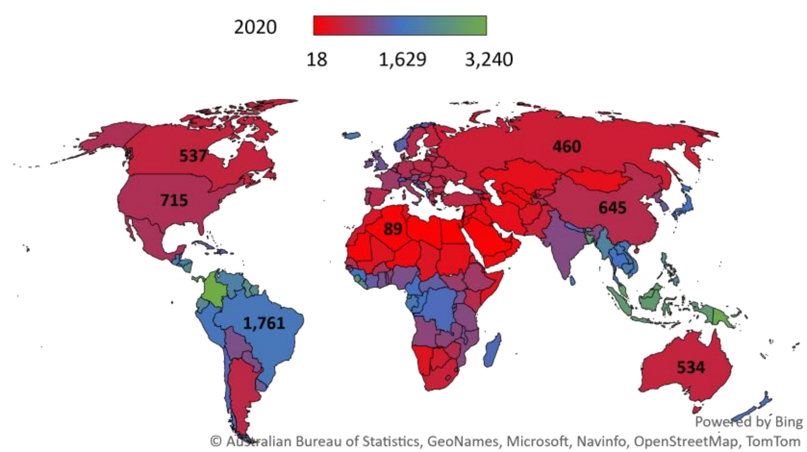


Cereal yields

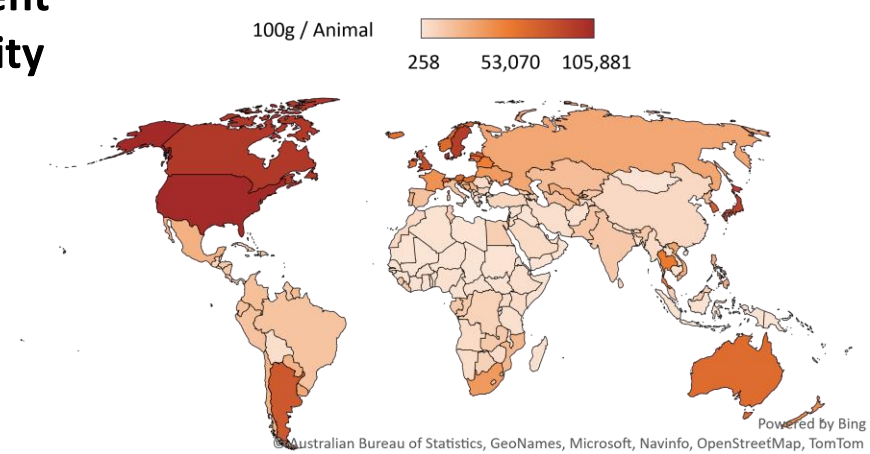


Africa's agricultural potential not reflected in its current productivity

Average annual rainfall (mm)



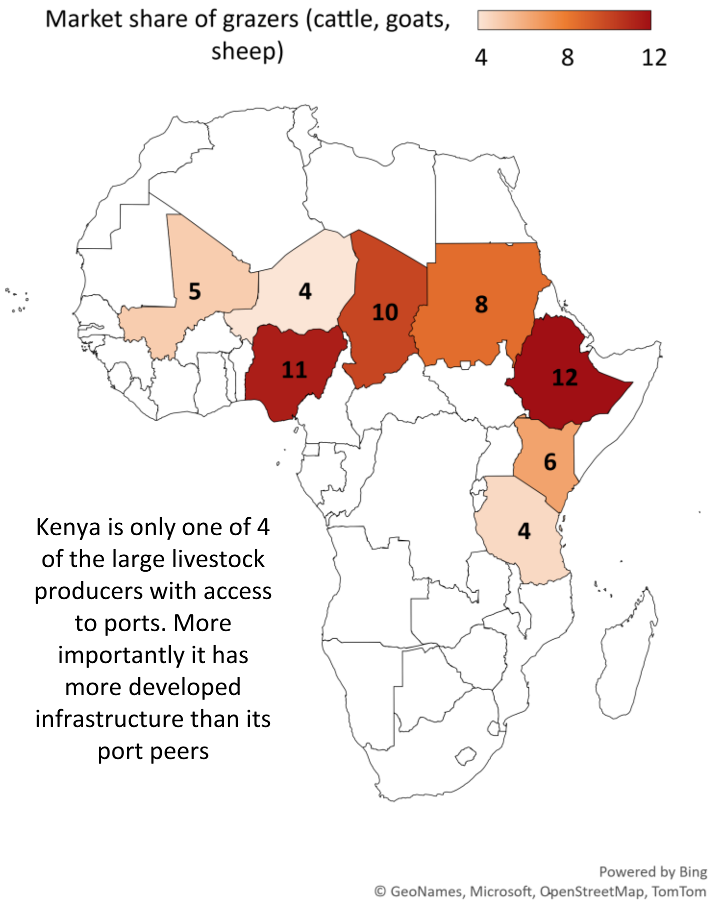
Milk yields



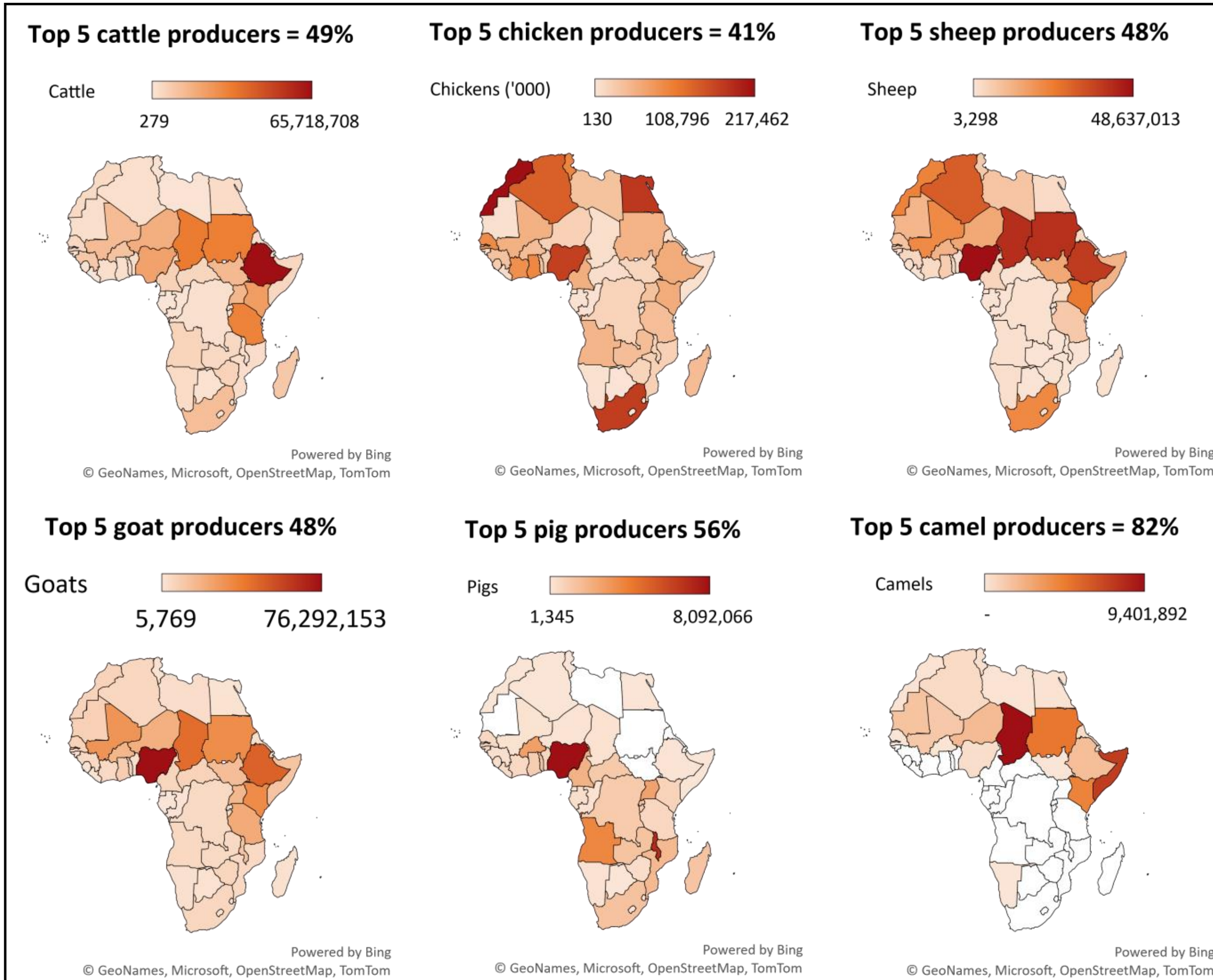
Source: Equity Strategy, IFAD, World Bank

Secular growth and economic opportunities driven by (3) natural resources – to catalyse broader and deeper African value chains (continued)

Africa's grazing livestock crescent produces 61% of Africa's stock (50% of global)



Kenya is only one of 4 of the large livestock producers with access to ports. More importantly it has more developed infrastructure than its port peers



Source: Equity Strategy, FAO

Secular growth and economic opportunities driven by (3) natural resources – to catalyse broader and deeper African value chains (continued)

EQUITY

Africa crop production market share			Yields (Hg / Ha)			Potential production market share*	
	Africa Top 10 producers	EAC	World	Africa	EAC	Africa	EAC
Almonds 7%	7%	0%	19,147	6,148	N/A	19%	0%
Avocados 13%	13%	5%	99,810	76,900	141,517	17%	5%
Bananas 17%	14%	7%	230,294	122,099	116,719	29%	13%
Barley 3%	3%	0%	30,432	12,864	19,021	8%	0%
Cashew nuts 58%	57%	6%	5,887	5,230	4,217	61%	8%
Cocoa beans 68%	68%	1%	4,674	4,565	5,775	69%	1%
Coffee 12%	11%	4%	9,679	4,224	5,484	24%	7%
Ginger 19%	19%	0%	106,126	84,841	51,014	24%	0%
Groundnuts 31%	25%	3%	16,991	9,673	7,348	45%	6%
Maize 7%	5%	1%	57,547	21,018	15,414	19%	5%
Millet 45%	41%	2%	9,485	7,000	11,210	53%	2%
Natural rubber 8%	8%	0%	11,602	10,559	2,304	10%	0%
Oil palm fruit 5%	5%	1%	145,614	40,872	104,204	17%	1%
Olives 23%	23%	0%	18,522	10,190	N/A	36%	0%
Oranges 12%	12%	1%	194,251	189,598	100,570	13%	2%
Other citrus fruit, n.e.c. 37%	36%	1%	93,744	51,617	63,459	52%	1%
Other fruits, n.e.c. 14%	9%	3%	74,653	65,007	61,837	16%	3%
Potatoes 7%	4%	1%	217,688	150,988	73,729	10%	4%
Pyrethrum, dried flowers 86%	85%	83%	3,905	3,702	2,601	87%	88%
Rice 5%	4%	1%	46,089	22,061	34,310	10%	1%
Seed cotton 5%	4%	1%	26,103	10,707	7,052	13%	2%
Sesame seed 62%	58%	16%	4,872	4,419	5,177	65%	16%
Sisal, raw 39%	39%	28%	8,972	8,215	12,280	41%	28%
Sorghum 46%	38%	4%	14,585	10,064	10,394	56%	5%
Sugar cane 5%	3%	1%	706,434	606,183	551,525	6%	1%
Sunflower 4%	3%	3%	18,020	10,985	12,270	8%	4%
Tea leaves 11%	11%	10%	13,227	18,825	16,484	11%	9%
Wheat 3%	3%	0%	34,744	25,315	16,104	4%	0%
Yams 97%	87%	0%	84,732	84,192	66,228	98%	0%

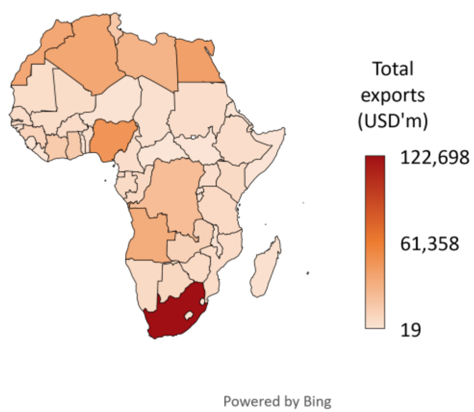
Source: FAO, Equity Strategy. *Potential production market share if yields equalized to world averages

Secular growth and economic opportunities driven by: (4) enhanced continental integration will drive expanded ecosystems

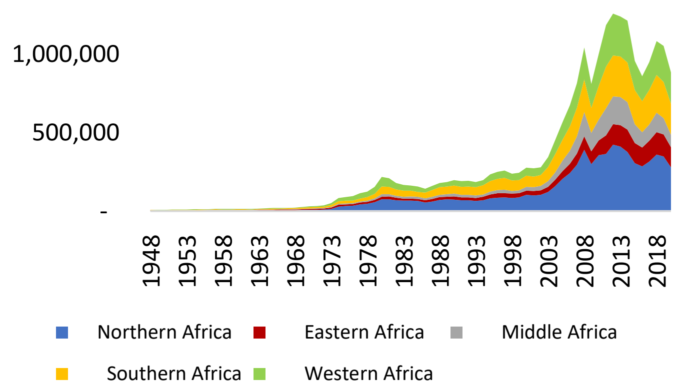
EQUITY

Global integration: Africa's trade with the world

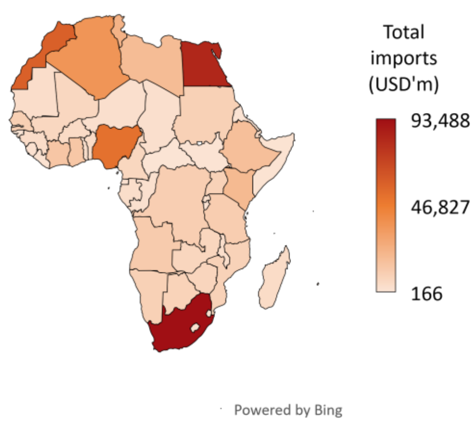
Africa's exporters



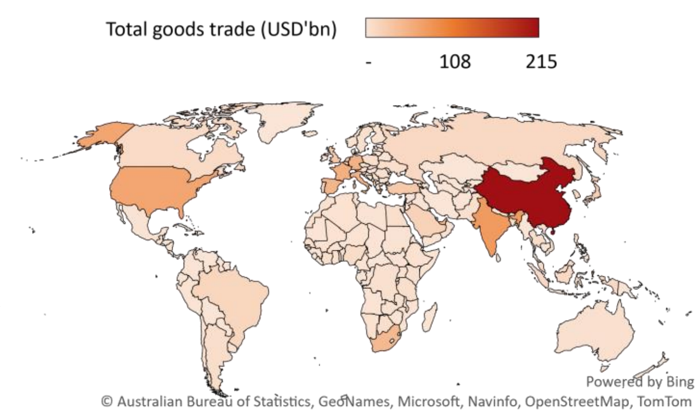
Africa total trade (USD'm)



Africa's importers

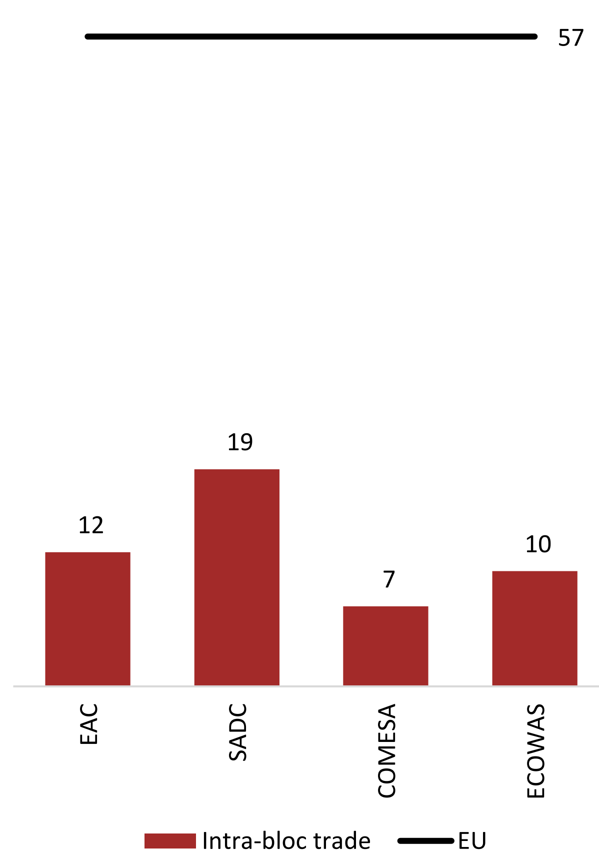


Africa's trade partners (USD 1.1tn)



Integrated Africa

Trade between members of regional trade blocs (%)



Source: UNCTAD, Equity Strategy

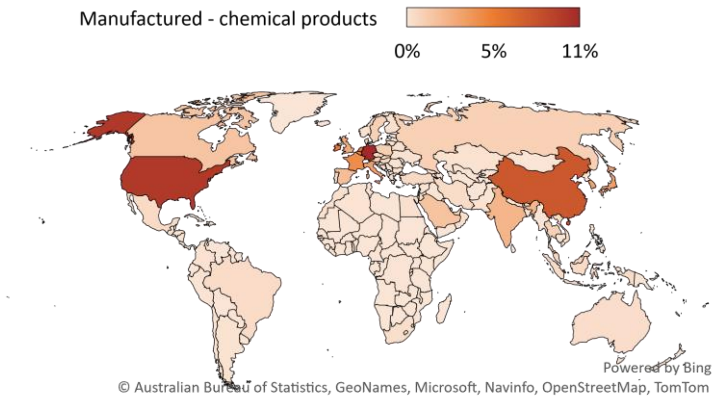
Why Africa now?

The tailwinds that makes Africa’s secular opportunities more attractive – the need to sustainably diversify global supply chains

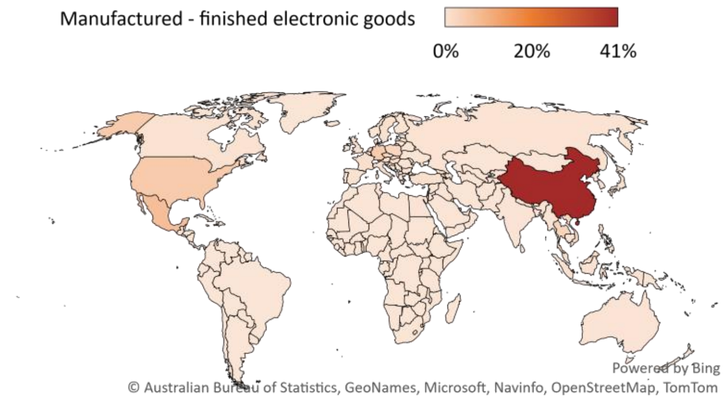
Tailwind 1: The pandemic has put the spotlight on concentrated global manufacturing supply chains that require diversification

Three largest exporters of chemical products spread across Europe (Germany, 11%), Americas (US, 10%) and Asia (China, 8%)

40% of global chemical product exports come from 5 countries



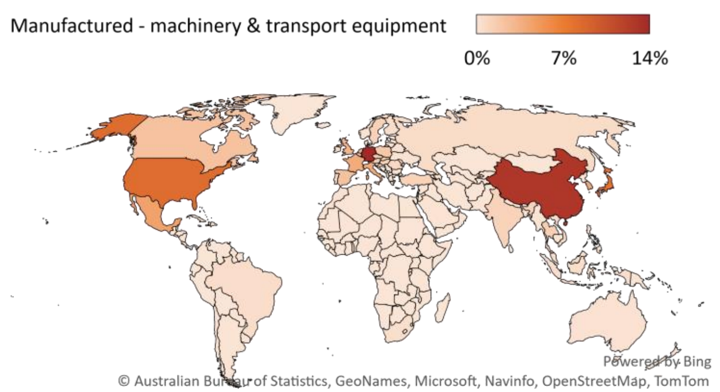
63% of finished electronic goods exports come from 5 countries



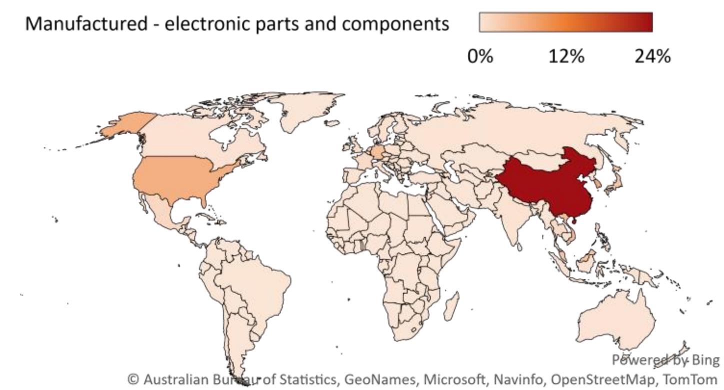
56% of finished electronic goods exports concentrated in Asia

Three largest exporters of machinery and transport equipment spread across Europe (Germany, 14%), Asia (China, 13%) and Americas (US, 8%)

48% of global machinery & transport equipment exports come from 5 countries



59% of global electronic parts and component exports come from 5 countries



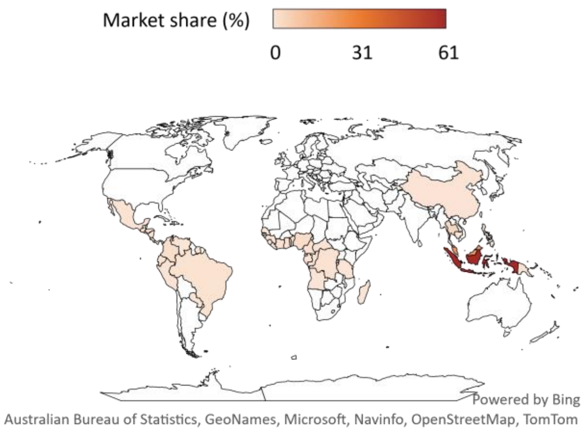
65% of electronic parts and components exports concentrated in Asia

Source: UNCTAD data

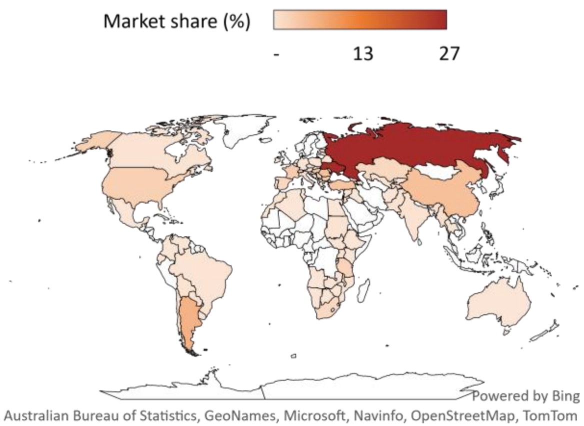
Tailwind 2: Ukraine-Russia war has put the spotlight on highly concentrated agricultural production that requires diversification

EQUITY

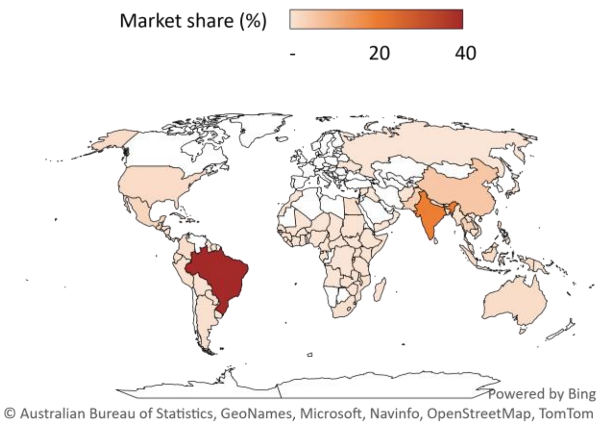
92% of palm oil production takes place in 5 countries



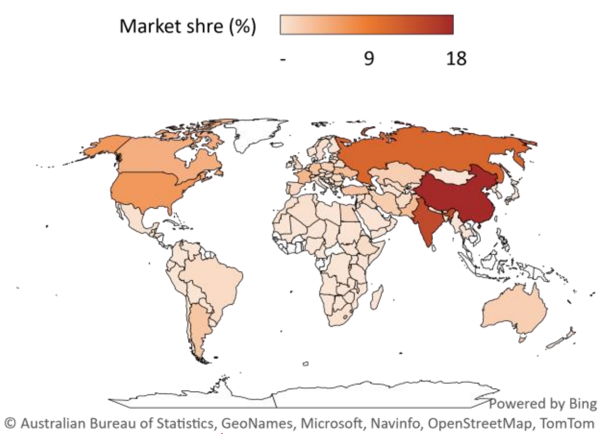
68% of sunflower oil production takes place in 5 countries



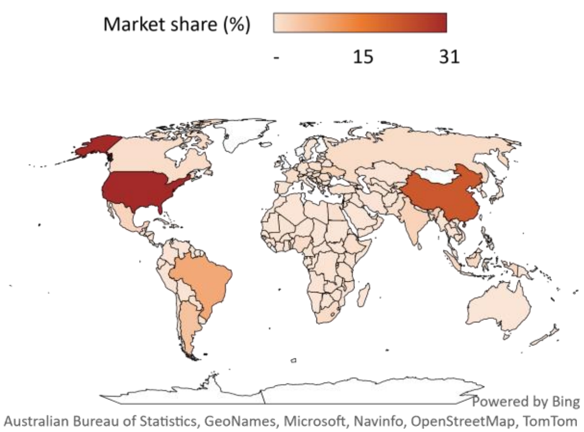
74% of sugar production takes place in 5 countries



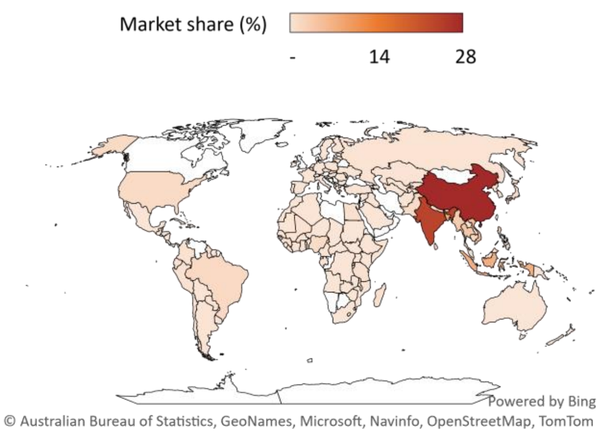
54% of wheat production takes place in 5 countries



70% of maize production takes place in 5 countries



72% of rice production takes place in 5 countries



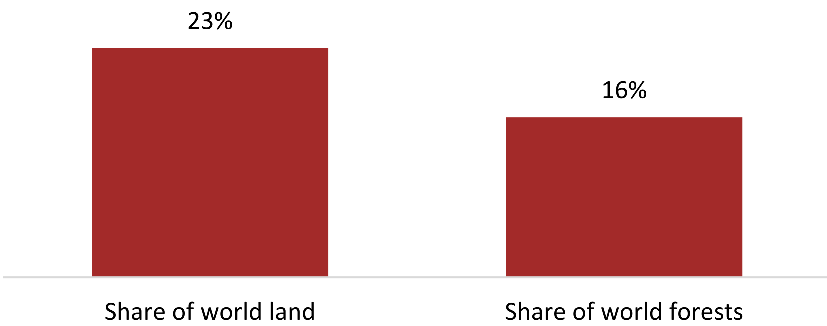
Data source: FAO

Tailwind 3: Focus on sustainability will require Africa as an equitable partner

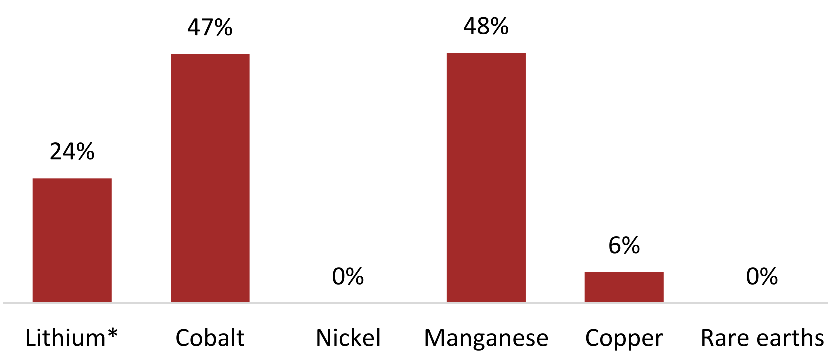
EQUITY

Natural endowments

Africa

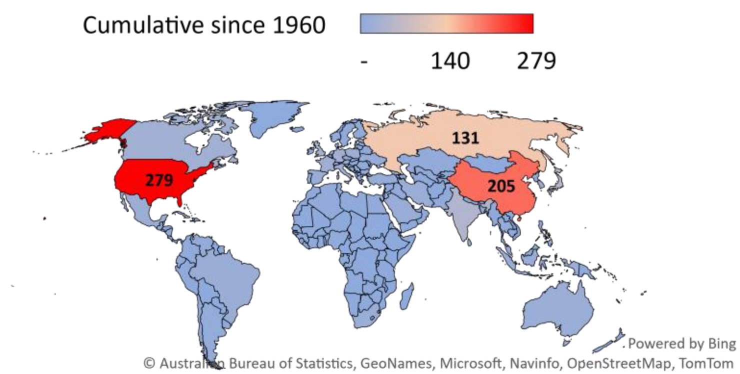


Critical commodities in a green future - Africa reserves % world total

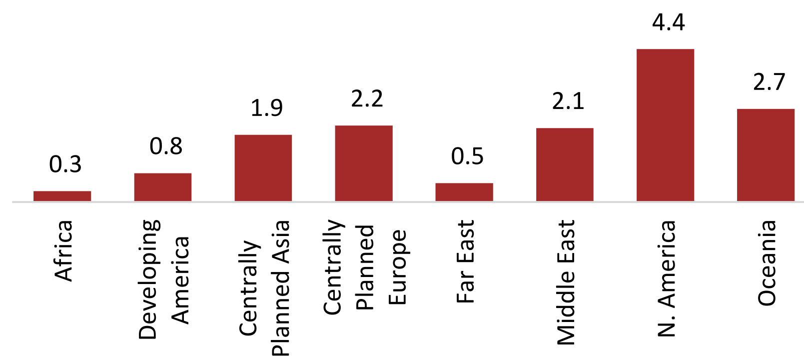


Transition considerations

CO2 emissions (billion'kt)

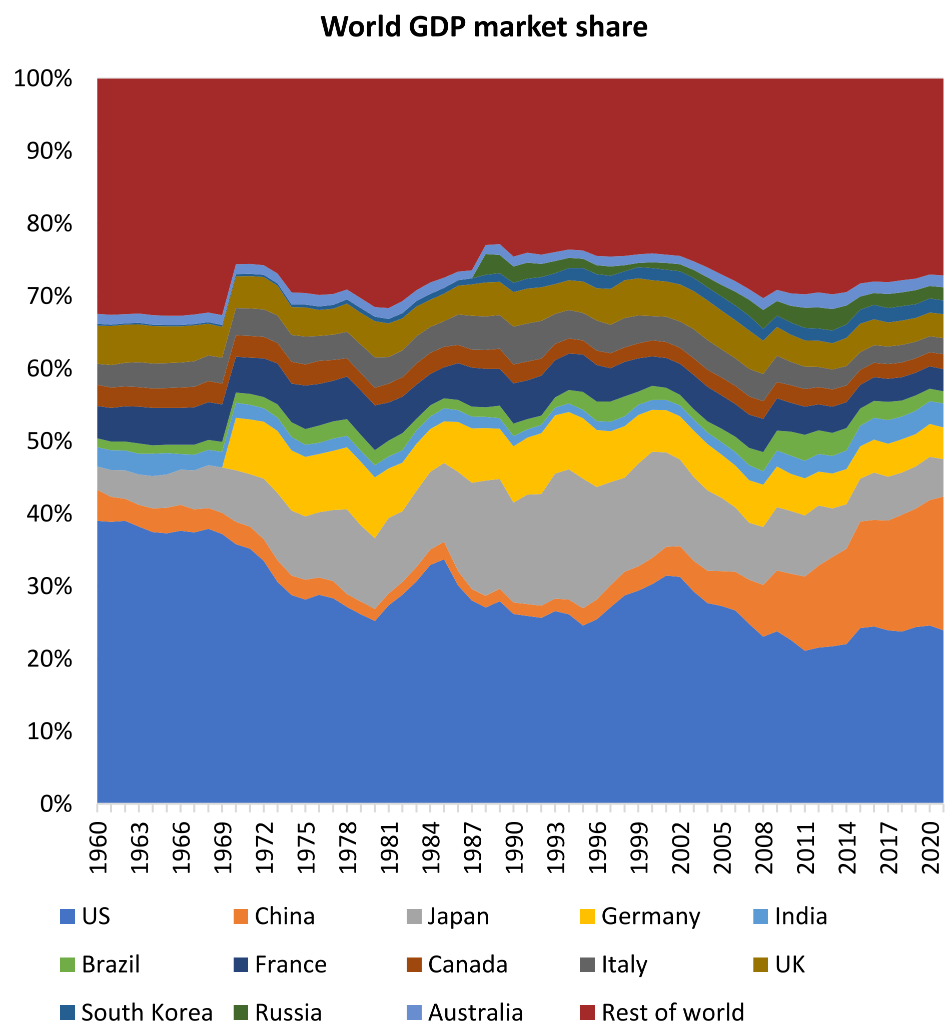


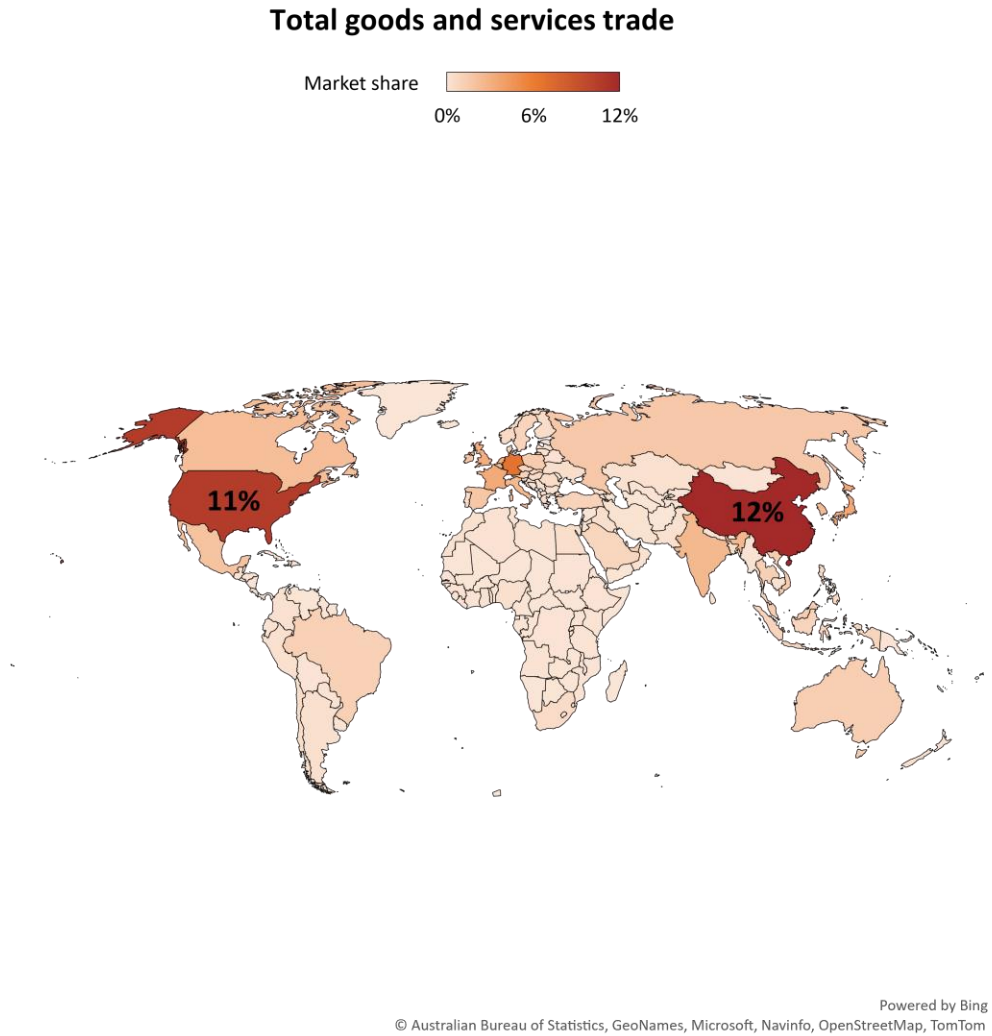
CO2 emissions per capita (2014)



Source: : World Bank, UN, USGS. *Estimate on recent discoveries

Tailwind 4: A transformed Africa is a more balanced world





Source: World Bank, UNCTAD

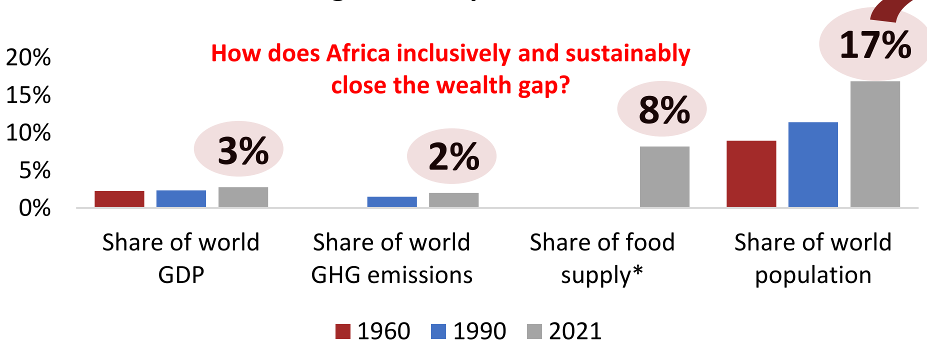
What is Equity Group doing in Africa?

The Africa Recovery and Resilience Plan – a journey from financial inclusion to continental social and economic transformation

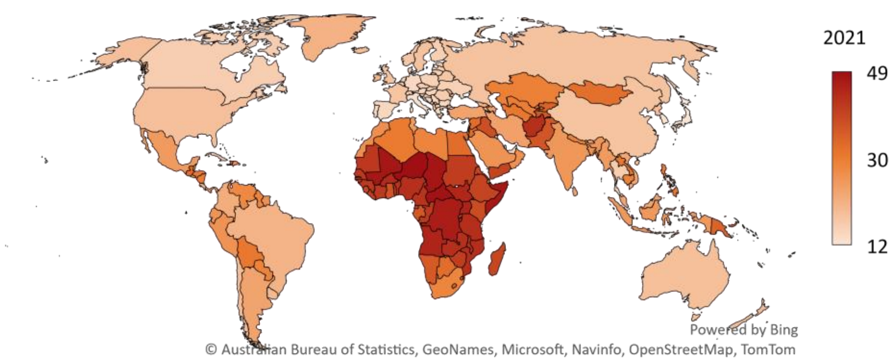
Africa's central problem statement…25% of the world's population in 2050 BUT currently only 3% of world's wealth

Africa's CURRENT position

Africa's economic and social stake reflects increasing and unsustainable global inequalities and imbalances

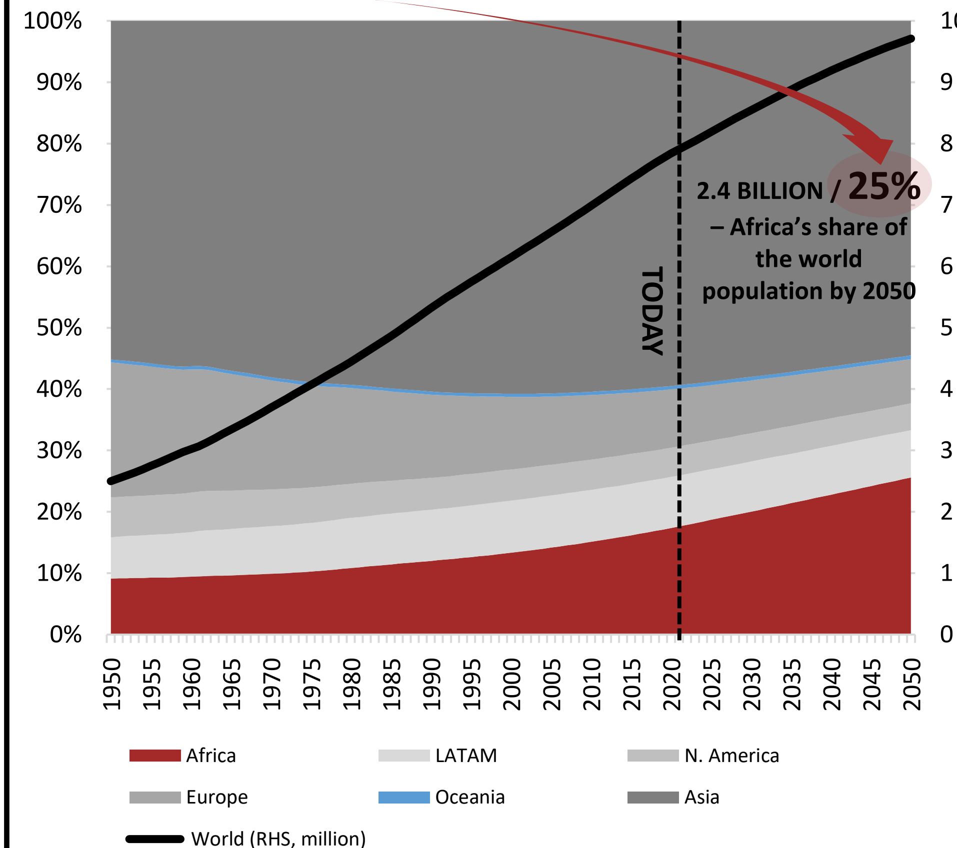


Africa's population below the age of 15 will be tomorrow's global labor market and consumption market (% of population)



Africa's FUTURE position

Where will the population be located by 2050



Source: World Bank, UN, WHO. *FAO data for 2019 and measured in tonnage, Equity Strategy

A plan for Africa's central problem statement – The Africa Recovery and Resilience Plan

EQUITY

Holistic solution to achieve social and economic transformation of Africa. The plan comprises interconnected pillars that aim to capacitate and connect enterprises and households across Africa

	PLAN FRAMEWORK	PLAN OBJECTIVES
1 THE PLAN	Africa Recovery and Resilience Plan	• 100m customers • 5m borrowing businesses • 25m borrowing consumers • 25m direct jobs
2 STRATEGIC PILLARS	**Pillar 1(a):** Food & Agriculture **Pillar 1(b):** Extractives **Pillar 2:** Manufacturing & Services **Pillar 3:** Trade & Investment **Pillar 4:** MSMEs **Pillar 5:** Social & Environmental Transformation **Pillar 6:** Technology-enabled ecosystem	• Food & Agriculture loan mix 30% • Catalyse other industries • Manufact. loan mix 15% • #1 Trade finance bank • MSME loan mix 65% • Financially include 100m • Digitally connect 100m

Source: Equity Strategy

Overview of strategic pillars and pillar programmes

The plan has 6 pillars each comprising programmes which in turn comprise various initiatives that aim to: (i) systematically link, enrich and deepen value chains; and (ii) together provide sequential, holistic and coordinated solutioning towards social and economic transformation of Africa

PILLAR 1(A&B): PRIMARY SECTORS
HIGHER PRODUCTIVITY AND VALUE-ADDED OUTPUT

- SUSTAINABLY COMMERCIALIZE SMALLHOLDER PRODUCERS
- ENHANCE ECOSYSTEM

PILLAR 2: MANUFACTURING & SERVICES
ENCOURAGE VALUE-ADDING ECOSYSTEMS

- SCALE VALUE CHAIN ANCHORS & ENHANCE VALUE CHAIN LINKAGES
- ESTABLISH MANUFACTURING & SERVICES HUBS

PILLAR 3: TRADE & INVESTMENT
STIMULATE INTRA-CONTINENTAL TRADE

- INCREASE REGIONAL AND INTERNATIONAL LINKAGES
- ATTRACT FDI, SKILLS, TECHNOLOGY

PILLAR 4: MSMEs
CATALYSE ENTREPRENEURSHIP AND CONNECT TO VALUE CHAINS AND TRADE CORRIDORS

- CAPACITY BUILDING
- ACCELERATE LINKAGE OF MSMEs TO FORMAL VALUE CHAINS

PILLAR 5: SOCIAL & ENVIRONMENTAL TRANSFORMATION
CHAMPION SOCIAL & ENVIRONMENTAL TRANSFORMATION

- PRODUCTIVITY GAINS
- SUPPORT ENVIRONMENTAL TRANSFORMATION
- COMMUNITY SUPPORT

PILLAR 6: TECHNOLOGY-ENABLED ECOSYSTEM
ACCELERATE WEALTH TRANFORMATION THROUGH A DIGITAL-ENABLED ECONOMY

- DIGITISE VALUE CHAINS AND TRADE CORRIDORS
- DRIVE DIGITAL VELOCITY

Source: Equity Strategy

Primary Sector pillar programmes and their respective initiatives

EQUITY

PILLAR PROGRAMME: SUSTAINABLY COMMERCIALIZE SMALLHOLDER PRODUCERS

African primary sectors are largely populated by smallholder producers with limited capacity and constrained productivity – need to drive entrepreneurship and capacitate primary sectors

FOOD & AGRICULTURE

CEREALS | HORTICULTURE | AQUACULTURE | FIBRE PRODUCTION | DAIRY & LIVESTOCK | MEDICINAL HERBS

INITIATIVES

- **Entrepreneurship capacity** – conversion of subsistence and smallholder farmers into sustainable agro-businesses through capacity building initiatives
- **Production enhancement** – drive smallholder producer productivity gains through enhanced farming practices

INPUT & MACHINERY

- **Input access** – input financing schemes and partnerships to drive yields to world averages
- **Mechanization** – asset finance schemes and partnerships to drive yields to world averages

EXRTACTIVES

ARTISINAL MINING

- **Entrepreneurship capacity** – conversion of artisanal miners into formal businesses through capacity building initiatives

PILLAR PROGRAMME: ENHANCE ECOSYSTEM

African primary sectors are fragmented and sub-scale and challenged by market structure deficiencies – need to catalyse, connect, coordinate, finance and drive a more conducive operating environment

INITIATIVES

- **Value chain efficiency and optimisation** – crowd in investment into shared infrastructure, enhance pricing efficiencies and R&D. Work with policymakers for conducive environment
- **Market access** – support last mile connectivity and transparency and traceability
- **Value chain linkages** – aggregation of smallholder farmer / fragmented output and enhancement off take arrangements between stakeholders
- **Value chain coordination and access to credit** – well-structured financial services to assist coordinate flow of goods, services and value across the value chain. This will not only drive productivity gains but also help reduce financial diversion in the value chain

Source: Equity Strategy

Manufacturing & Services pillar programmes and their respective initiatives

PILLAR PRGROMME: SCALE VALUE CHAIN ANCHORS & ENHANCE VALUE CHAIN LINKAGES

Value addition of Africa's resources will drive wealth transformation and the resultant demand complementarities will deepen and broaden African value chains – need to scale value chain anchors and enhance value chain linkages

INITIATIVES

CAPACITY UTILIZATION AND VALUE CHAIN LINKAGES

- **Distributor and supply chain linkages** – linkage of suppliers and distributors to anchors through working capital financing for the entire value chain
- **Government policy** – work with policymakers for conducive environment

CAPACITY EXPANSION

- **Access to financial services** – more targeted and intentional credit penetration of the manufacturing sector

PILLAR PROGRAMME: ESTABLISH MANUFACTRUING & SERVICES HUBS

Clustering of manufacturing and services will drive regional economies of scale and comparative advantages – need to coordinate complimenting country capabilities with each other to catalyse an integrated and connected Africa

INITIATIVES

KENYA: Diversified economic gateway into Africa and key anchor to EAC

- **Nairobi** – diversified manufacturing and services hub
- **Mombasa** – logistical and agro-processing hub
- **Nakuru** – agro-processing
- **Kisumu** – agro-processing and light manufacturing
- **Northern corridor** – EAC logistics corridor
- **LAPSSET corridor** – Ethiopia, South Sudan corridor

DRC: Global renewable energy and commodities hub and breadbasket

- **Kinshasa** – manufacturing and services hub
- **Katanga –** renewable energy hub and emerging breadbasket

UGANDA: Breadbasket and agro processor for central Africa

- **Oil ecosystem** – catalyse development of other sectors
- **Kampala –** Agro-processing

RWANDA: Central Africa economic hub

- **MICE** – services and convening hub
- **Kigali** – manufacturing and diversified services hub

TANZANIA: Natural resources hub and gateway to EAC and SADC

- **Dar es Salaam** – diversified manufacturing and services hub
- **Tanga corridor –** energy corridor
- **Central corridor –** EAC corridor
- **Southern corridor –** agricultural belt and SADC corridor
- **Mtwara corridor –** SADC corridor
- **Great Lakes region** – waterway gateway

Source: Equity Strategy

Trade & Investment pillar programmes and their respective projects and outcomes

EQUITY

PILLAR PROGRAMME: INCREASE REGIONAL AND INTERNATIONAL LINKAGES

African countries have significant potential to complement each other, and regional trade will underpin a coordinated and integrated Africa – need to increase intra-continental trade with the objective of shared prosperity

INITIATIVES

EAC AS THE ANCHOR TO "ONE AFRICA"

- **Increased intra-EAC trade –** member linkage through trade missions
- **Regional trade policy** – collaboration through EAC / EABC

INTRACONTINENTAL TRADE

- **Increased intra-Africa trade –** member linkage through trade missions
- **Continental trade policy** – collaboration through AfCFTA

GLOBAL VALUE CHAINS

- **Connectivity to global supply chains and offtake markets** – collaboration through Commonwealth, economic blocs and bilateral collaborations

PILLAR PROGRAMME: ATTRACT FOREIGN DIRECT INVESTMENT

Wealth transformation of Africa will require significant investment, technological advances and specialised skills – need to champion foreign direct investment into African primary sectors and manufacturing with the objective of scaling up shared prosperity

FOREIGN DIRECT INVESTMENT

INITIATIVES

- **Changing the African narrative** – strong communication and global advocacy of African opportunities
- **Investment ambassador** – connect capital to opportunities
- **Alternative supply chains** – convert trade into FDI in African value chains and infrastructure

Source: Equity Strategy

MSME pillar programmes and their respective projects and outcomes

PILLAR PROGRAMME: CAPACITY BUILDING OF PRODUCTIVE SECTOR

MSMEs and the informal sector are significant contributors to African economies – need to assist capacity building and formalization to drive productivity gains

INITIATIVES

STAKEHOLDER CAPACITY BUILDING	FIT FOR PURPOSE SKILLED LABOUR
• **Entrepreneurship capacity** – conversion of consumption economy into productive economy through entrepreneurship training and accelerate transition of entrepreneurs towards large businesses	• **Job creation** – alignment of labour supply

PILLAR PROGRAMME: ACCELERATE LINKAGE OF MSMEs TO FORMAL VALUE CHAINS

African MSMEs disenfranchised due to fragmented and disorganized value chains – need a holistic and ecosystem solutioning to connect MSMEs to formal value chains.

INITIATIVES

FINANCIAL INCLUSION

- **Ecosystem solutioning** – Linkage to formal value chains and value chain anchors
- **Access to credit** – more targeted and intentional credit penetration of the MSME sector

Source: Equity Strategy

Social & Environmental Transformation pillar programmes and their respective projects and outcomes

EQUITY

PILLAR PROGRAMME: PRODUCTIVITY GAINS

African households and businesses productivity levels remain low due to economic and social constraints – need higher levels of private sector participation in capacity building and maintaining healthy households

	CAPACITY BUILDING	HEALTHCARE
INITIATIVES	• **Household capacity building** – financial literacy and secondary & tertiary education programmes • **Business capacity building** – entrepreneurship training and business development programmes	• **Household health –** quality, affordable and timely access. Scale up health value chains to improve communication, access, quality and affordability in healthcare services and related goods

PILLAR PROGRAMME: SUPPORT ENVIRONMENTAL TRANSFORMATION

As the world looks towards a more sustainable future, households and businesses will need to adapt and mitigate risks associated with climate change – need to champion just and equitable sustainability

	ENERGY AND ENVIRONMENTAL
INITIATIVES	• **Sustainable financing** – drive sustainable behaviour through resource allocation

PILLAR PROGRAMME: COMMUNITY SUPPORT

Many African households continue to be marginalized when it comes to basic necessities adversely impacting productivity – private sector needs to play a more intentional social role in supporting communities

	SOCIAL SUPPORT
INITIATIVES	• **Community outreach and support** – support global humanitarian platforms reach marginalized communities

Source: Equity Strategy

Technology-Enabled Ecosystem pillar programmes and their respective projects and outcomes

EQUITY

PILLAR PROGRAMME: DIGITISE VALUE CHAINS AND TRADE CORRIDORS

Africa's value chains yet to be formalised and more importantly social and economic transformation needs to be accelerated – technology and innovation will be an enabler and accelerator to building Africa's value chains and driving Africa's wealth transformation

INITIATIVES	CONVERGENCE FOR DIGITAL RAILS	ECOSYSTEM DIGITISATION
	• **Regulatory alignment** – conducive but user safe operating environment to drive collaboration and innovation • **Cross sector collaboration** – mobile and financial services collaboration	• **Digital identity** – online identities • **Digitise value chains** – connect MSMEs and smallholder farmers online • **Digitise cross-border trade** – connect markets

PILLAR PROGRAMME: DRIVE DIGITAL VELOCITY

Ecosystem throughput needs to be enhanced and sustained – technology and innovation to inform ecosystem throughput

INITIATIVES	BIG DATA	TECHNOLOGY ENABLED COMMUNITY
	• **Digital collection** – ecosystem activity recording • **Digital knowledge** – ecosystem decisioning needs to be informed	• **Fit for purpose labour force** – increase local technology skills • **Digitise capacity building** – digital content and reach • **Technology hubs** – establish centres of excellence

Source: Equity Strategy

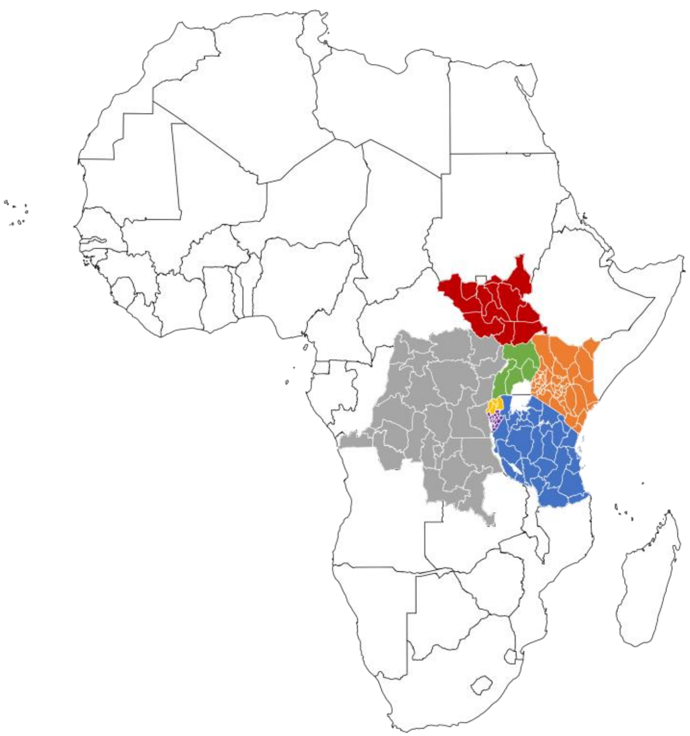
Why the EAC bloc is the most attractive in Africa?

Equity Group operational countries

EAC countries pieces to the same puzzle

EAC members

Tanzania | Kenya | DRC | Rwanda | Burundi | Uganda | South Sudan



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EAC member positioning

- Oil economy and breadbasket
- Diversified economic gateway to Africa and key anchor to EAC
- Global renewable energy and commoditirs hub and breadbasket
- Breadbasket and agro-processor for central Africa
- Agricultural and processing hub for Great Lakes region
- Central Africa econmic hub
- Natural resources hub and gateway into EAC & SADC

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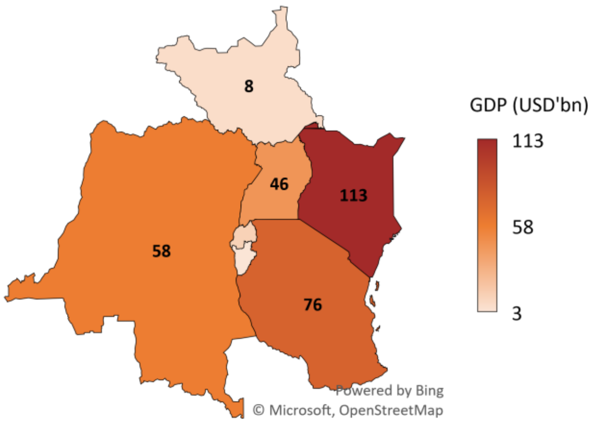
Source: World Bank, Equity Strategy

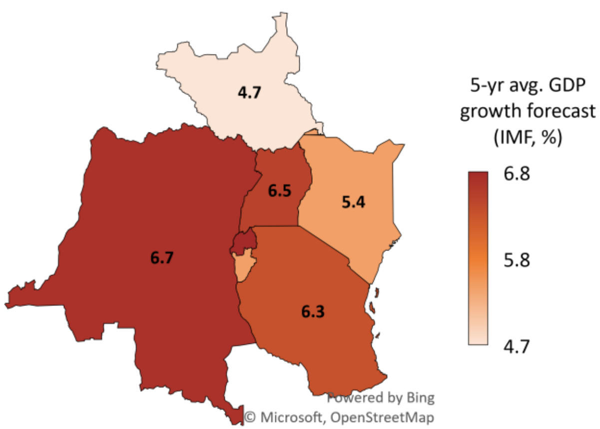
EAC a sizeable and growing market

Sizeable and fast-growing region

GDP (USD 317bn)

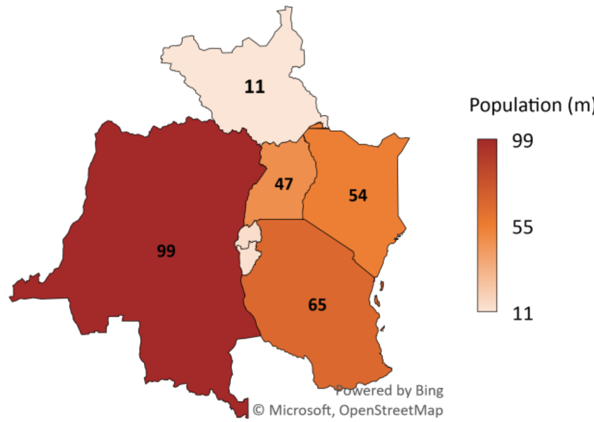


EAC 5-yr average GDP growth forecast = 6.0%

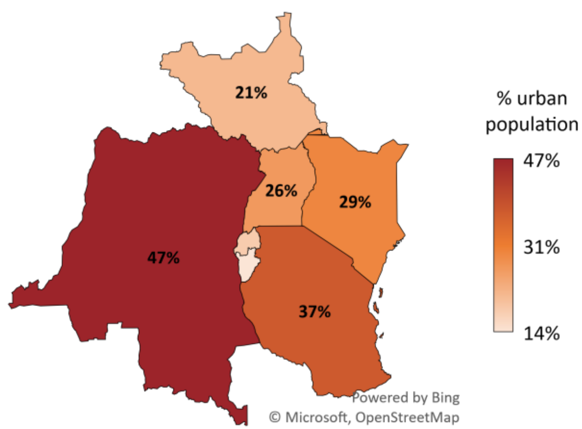


Sizeable demographics

Population (303m)

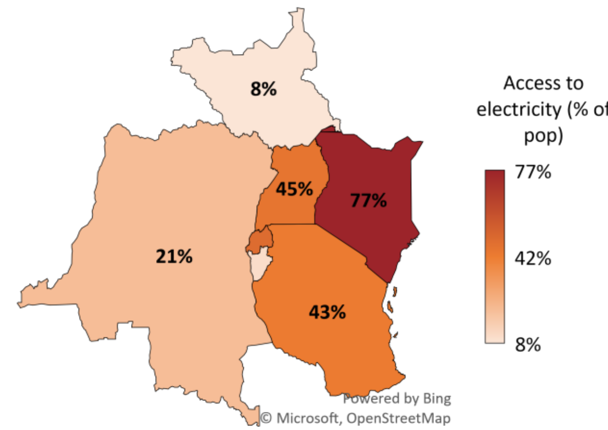


Urbanisation (35%)

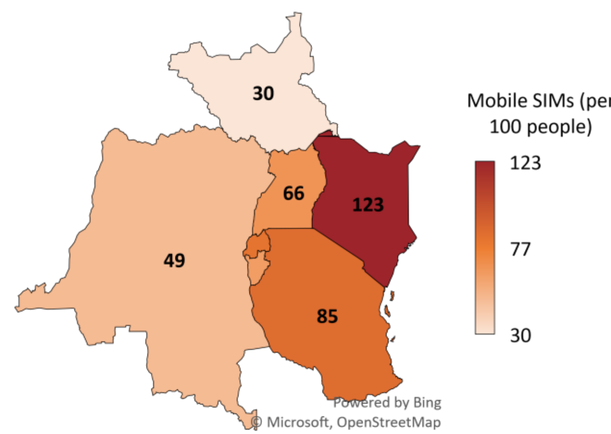


Access to infrastructure

Electricity access (42%)



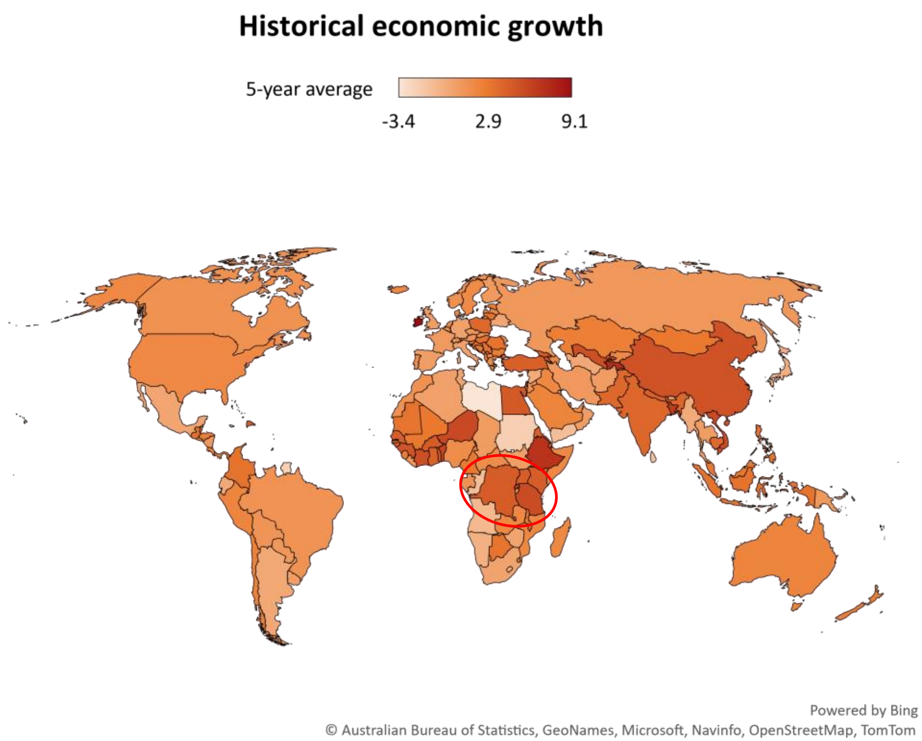
Mobile penetration (74 per 100 people)

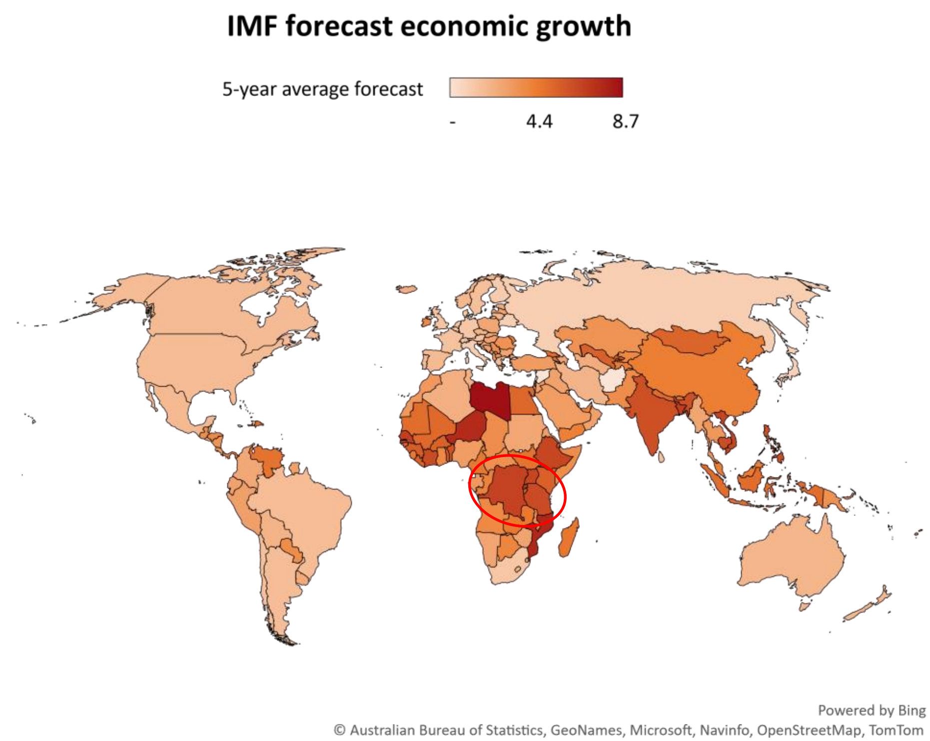


Source: World Bank, Equity Strategy

Africa secular growth more pronounced in EAC resulting in the region remaining one of the highest growth regions in the world

A coordinated and integrated Africa will broaden and accelerate Africa's social and economic transformation. EAC economic bloc increasingly more integrated and will become an anchor and gateway to Africa's high growth



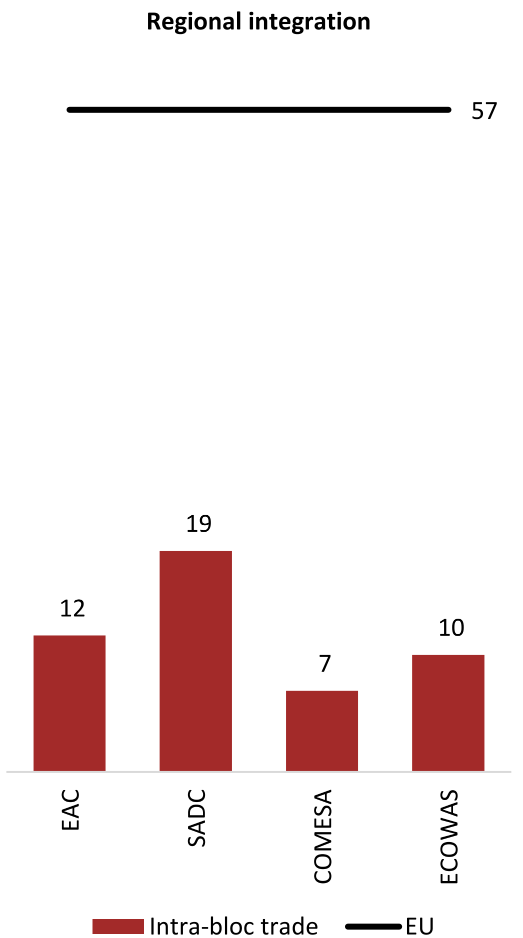


Source: World Bank, IMF April 2023 World Economic Outlook report

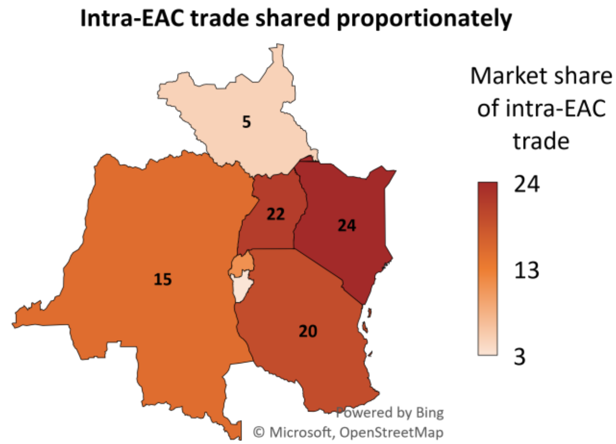
EAC most integrated economic bloc in Africa – strong trade and integration between EAC member countries to drive synergies between subsidiaries

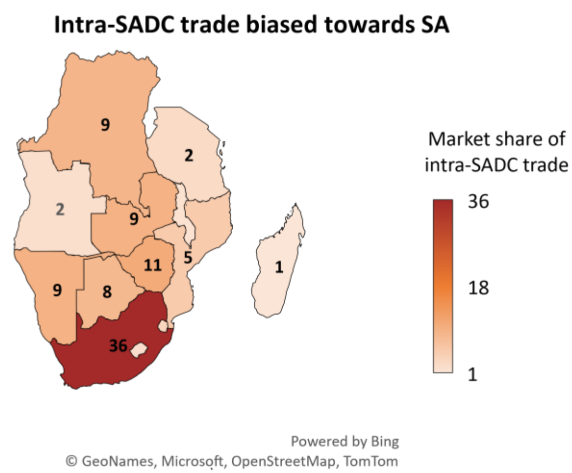
EQUITY

Major African trade blocs

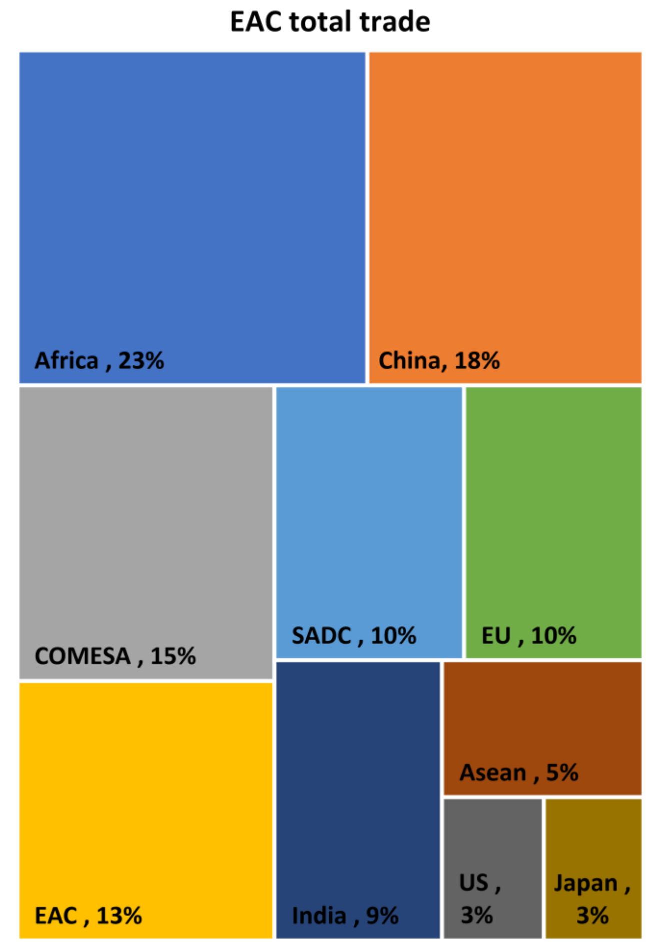


EAC trade most evenly distributed





Who do EAC members trade with



Source: World Bank, UNCTAD, Equity Strategy

EAC journey towards a federation

Milestone 1: Customs Union

Objectives of the Customs Union:
1. Further liberalise intra-regional trade in goods based on mutually beneficial trade arrangements among partner states
2. Promote efficient production within the community
3. Enhance domestic, cross-border and FDI in the community
4. Promote economic development and diversification in industrialisation in the community

In place since 2005 and entails:
1. Free trade (or zero duties) on goods and services and must comply with the EAC rules of origin.
2. Common external tariffs (CET)

Sector under the custom union include:
1. Agriculture
2. Health
3. Immigration and labour
4. Industrialisation and SME development
5. Infrastructure
6. Tourism and wildlife management
7. Trade

Milestone 2: Common Market

Objectives of a Common Market:
1. Reduce transactional costs and creation of larger markets
2. Stimulating investment, industrialisation, social development

Signed in 2010 (remains WIP) and entails:
1. Free movement of goods, services, people and capital
2. Right of establishment and residence

Sector under the custom union include:
1. Agriculture
2. Culture
3. Customs
4. Education, science and technology
5. Infrastructure and energy
6. Environment and natural resources
7. Gender, community development and civil society
8. Health
9. Immigration and labour
10. Industrialisation and SME development
11. Investment promotion and private sector development
12. Peace and security
13. Tourism and wildlife management
14. Trade

Milestone 3: Monetary Union

Objectives of a Common Market:
1. Progressively converge into a single currency

Signed in 2013 (remains WIP) and entails:
1. Harmonise monetary and fiscal policies
2. Harmonise financial, payment and settlement systems, harmonise financial accounting and reporting practices, harmonise policies and standards on statistical information
3. Establish an East African Central Bank

Sector under the custom union include:
1. Financial
2. Investment promotion and private sector development
3. Trade

Milestone 4: Political Federation

Objectives of a Common Market:
1. Common foreign and security policies
2. Good governance
3. Effective implementation of customs union, common market and monetary union

Transitional model signed in 2017 and entails:
1. Adoption of a political confederation

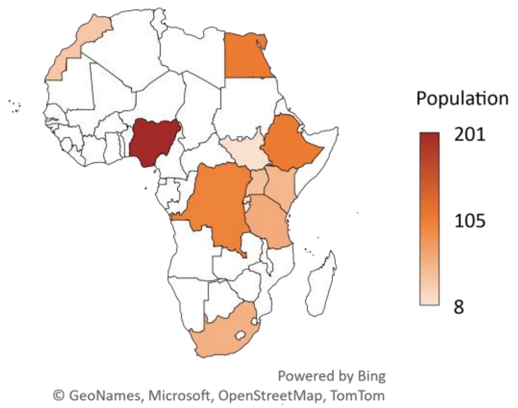
Sector under the custom union include:
1. International relations
2. Peace and security

Source: EAC, Equity Strategy

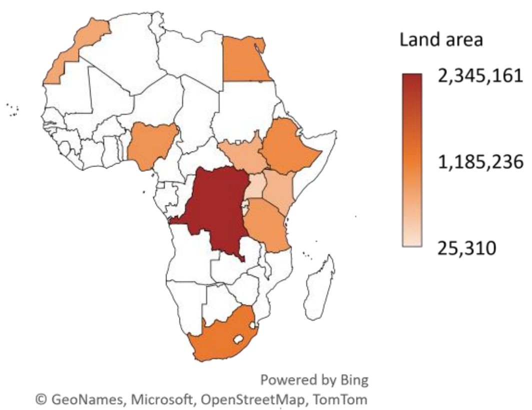
EAC has relatively high population concentrations – ease of sizeable market penetration

Population and land area

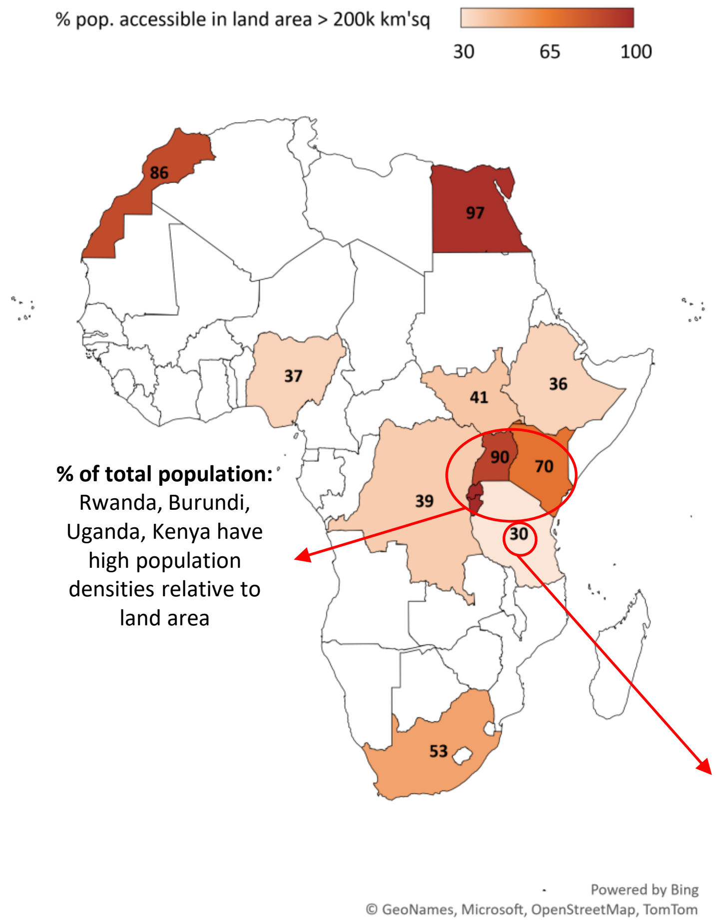
Population (m)



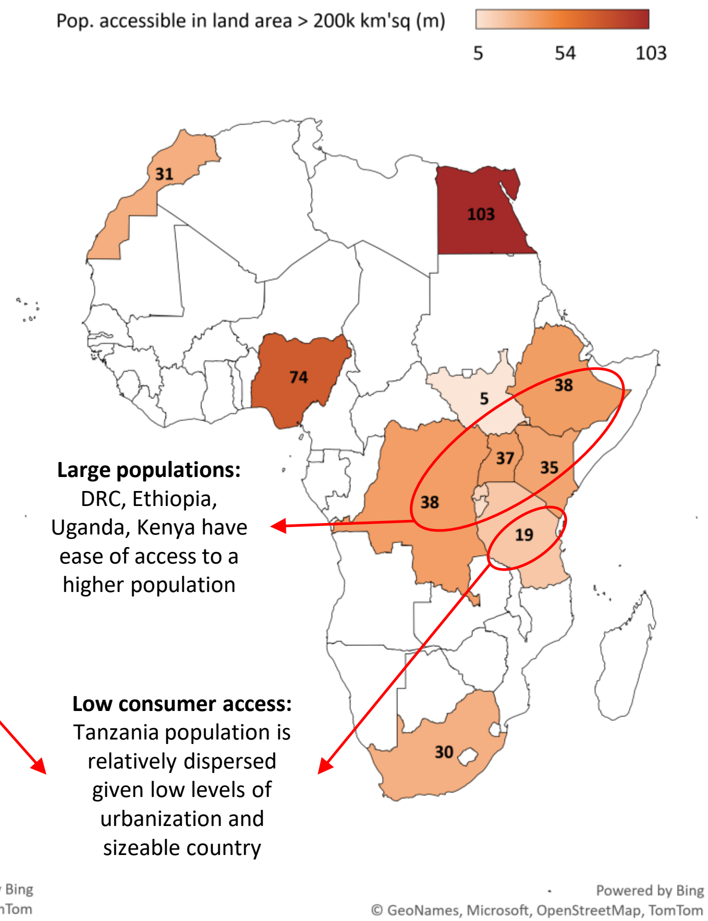
Land area (km'sq)



Population concentration



% of total population: Rwanda, Burundi, Uganda, Kenya have high population densities relative to land area



Large populations: DRC, Ethiopia, Uganda, Kenya have ease of access to a higher population

Low consumer access: Tanzania population is relatively dispersed given low levels of urbanization and sizeable country

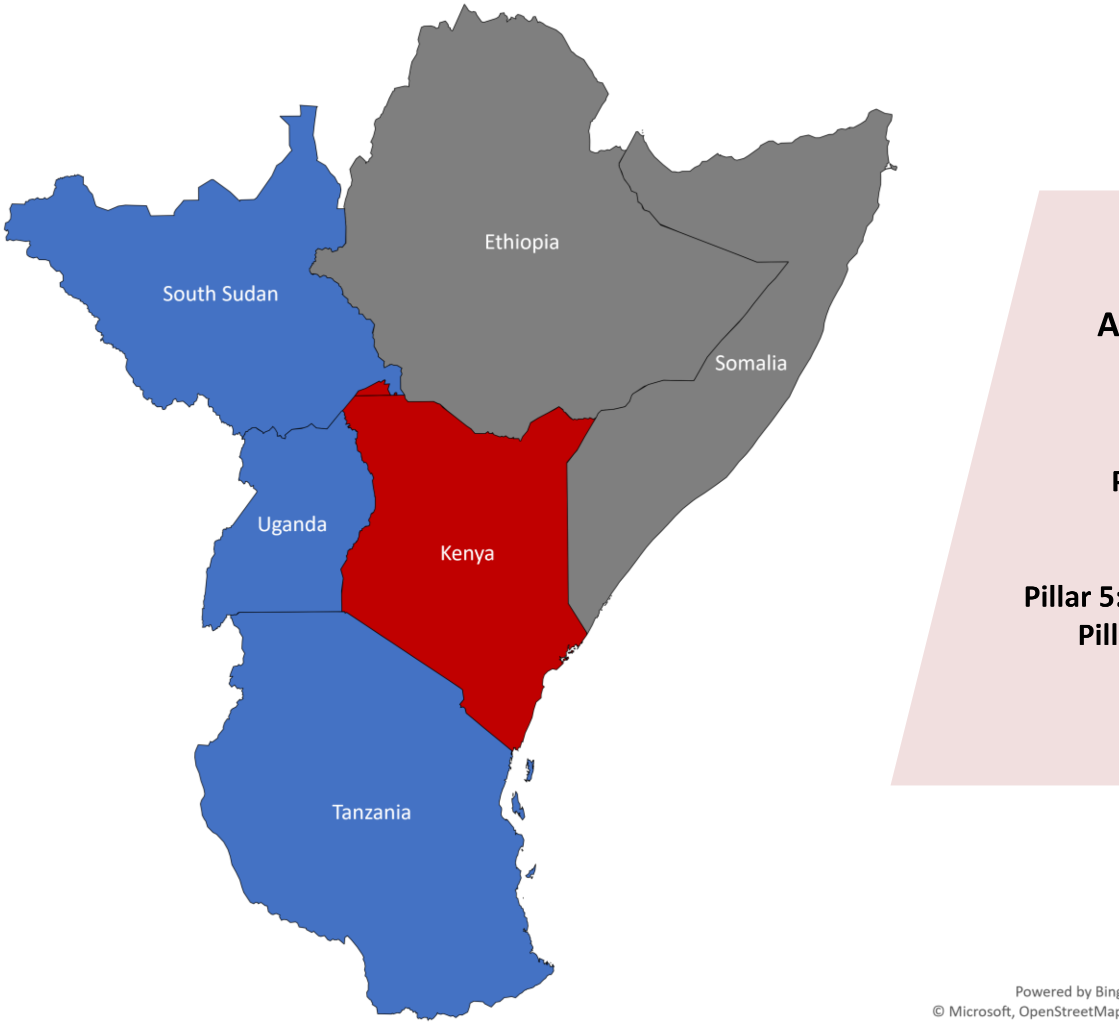
Source: World Bank, Equity Strategy

Why Kenya?

Kenya – diversified economic gateway to Africa and key anchor to EAC

Kenya and neighbouring Equity Group operations

Kenya geographic positioning – 5 neighbouring countries, 3 neighbouring EGH subsidiaries



AFRICA RECOVERY AND RESILIENCE PLAN – KENYA

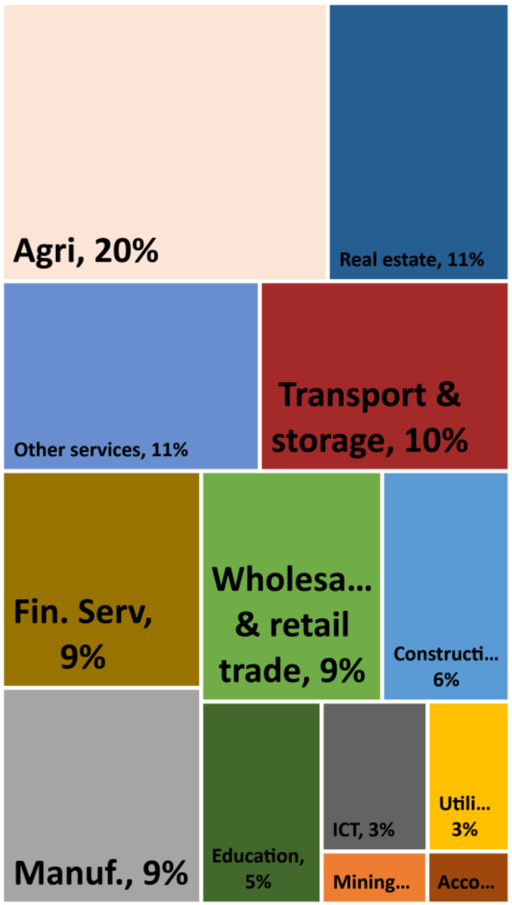
<u>Country competitive positioning</u>

Pillar 1(a): Food & Agriculture
Pillar 2: Manufacturing & Logistics
Pillar 3: Trade & Investment
Pillar 4: MSMEs
Pillar 5: Social & Environmental Transformation
Pillar 6: Technology-Enabled Ecosystem

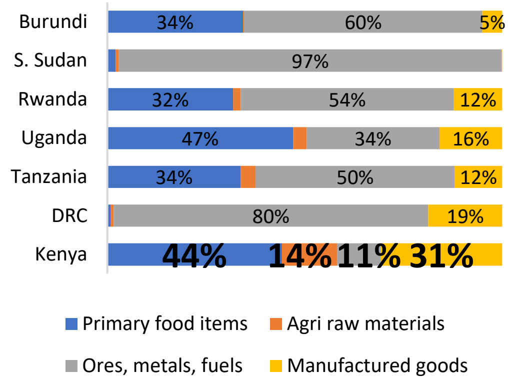
Kenya – diversified economic gateway into Africa and a key anchor to EAC

Diversified economy and middle-income economy status pointing towards opportunities in deepening of financial services offering

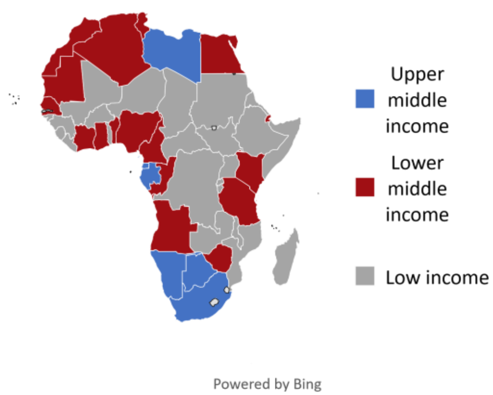
Diversified economy – GDP mix



Exports relatively diversified

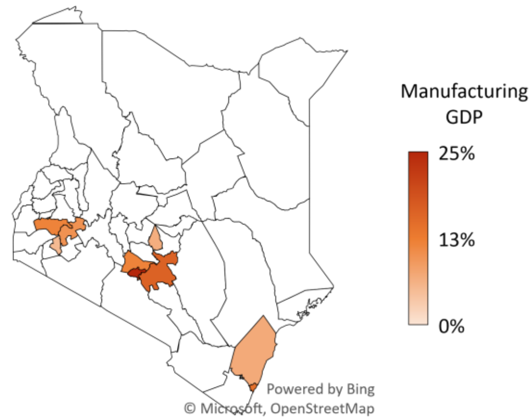


Middle income status

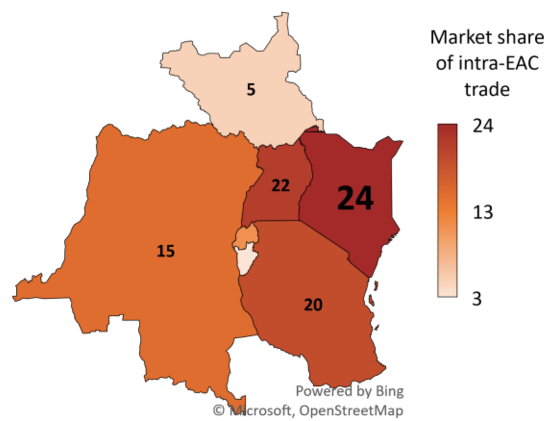


Manufacturing and trading hub status highlights deep value chains

Three manufacturing clusters



Kenya a key anchor to Intra-EAC trade



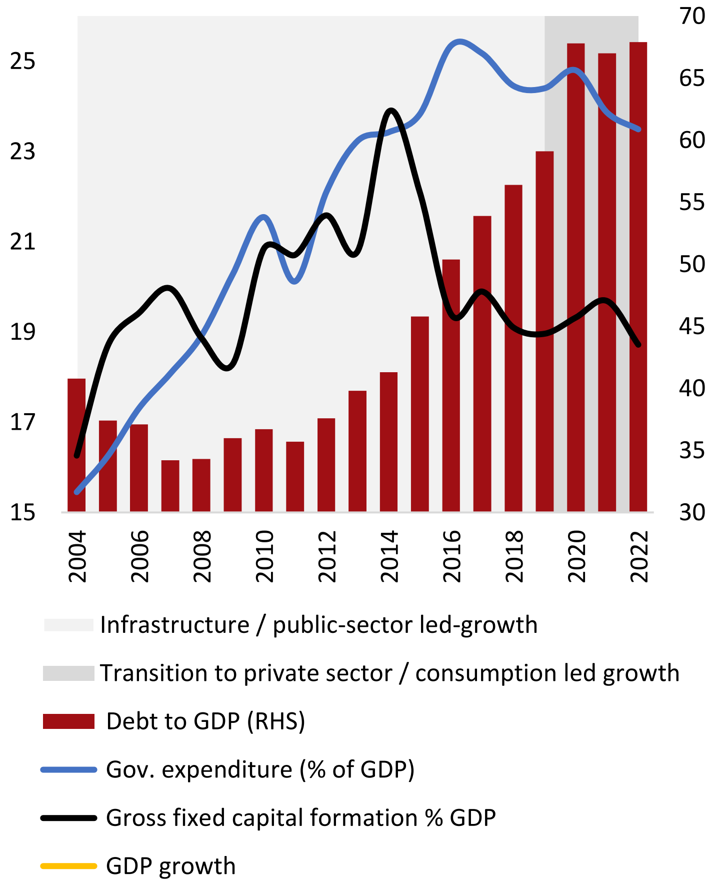
- Kenya's economy relatively diversified with established agriculture, logistics, diversified manufacturing and financial services sectors
- Trade structure also relatively diversified
- Kenya now a middle-income economy
- Kenya's manufacturing capacity straddles along Kenya's Northern Corridor
- EAC increasingly becoming the most integrated economic bloc in Africa and Kenya well positioned to be a key Anchor to EAC and "One Africa"

Source: Equity Strategy Office, KNBS, UNCTAD, World Bank

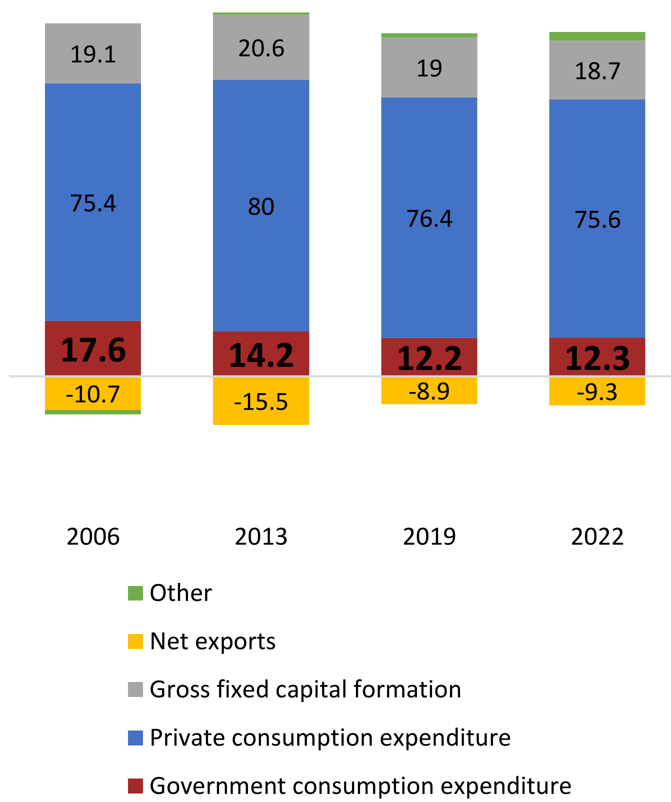
Kenya – transitioning from infrastructure / public sector led growth towards consumption / private sector led growth

Kenya economic drivers in transitioning phase

Kenya growth drivers



Government contribution towards GDP reducing



Integrated financial services companies with regional reach to be best positioned in Kenya's (and EAC's) next growth phase

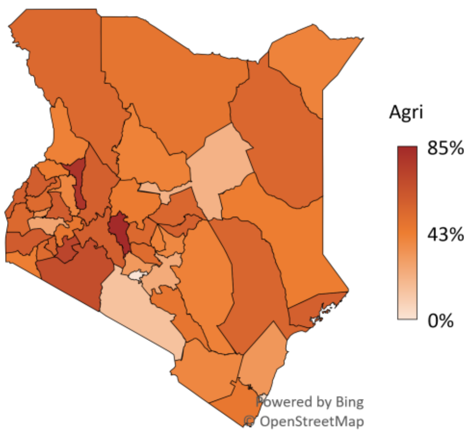
Drivers / enablers of growth going forward

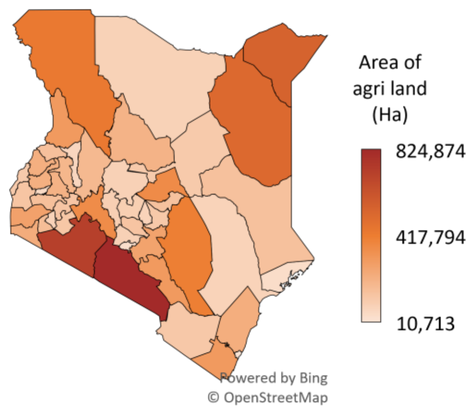
- Policy reforms that ensure conducive and predictable business environment
- Users of infrastructure to be beneficiaries / drivers of next phase of growth (MSMEs / manufacturers)
- Coordinated value chains will drive multiplier effects
- Productivity gains (rather than leverage) to drive growth

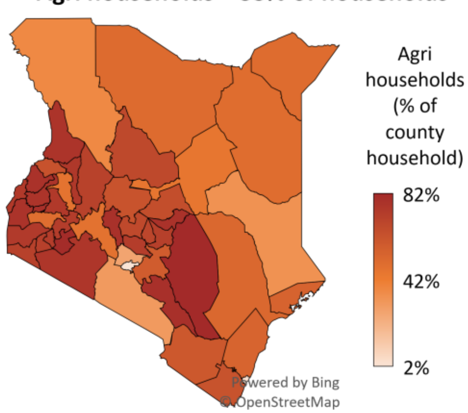
Source: Equity Strategy IMF, World Bank, KNBS

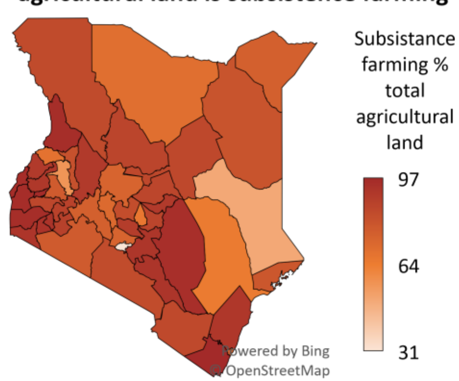
Kenya Pillar 1 – agriculture a key economic activity across the country with tea, flowers and cattle 65% of value produced

Agricultural activity widespread and largely subsistence

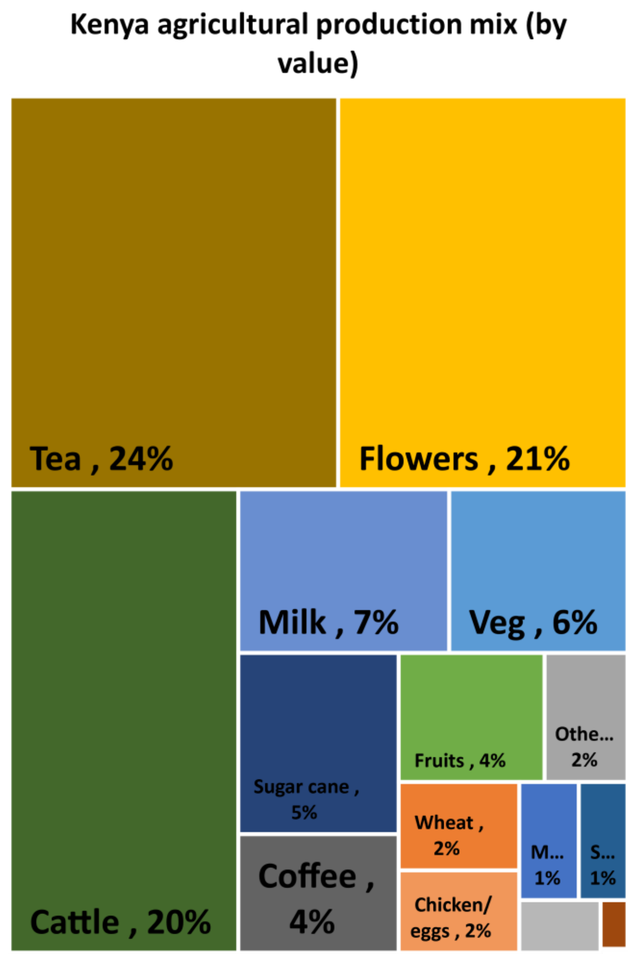








Agricultural activity biased towards export crops and cattle



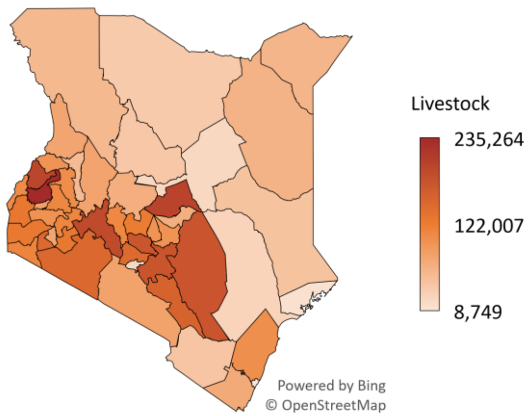
- Kenya agricultural activity concentrated along Kenya's Northern Corridor (domestic economic corridor running along logistics network from Mombasa to Uganda border) and largely reflective of population densities
- Farming tends to be mixed between livestock and crops and of a subsistence nature
- Northern and eastern counties agricultural land (region comprising most of the ASAL region in Kenya) largely participate in livestock activity (mostly cattle)

Source: Equity Strategy Office, KNBS

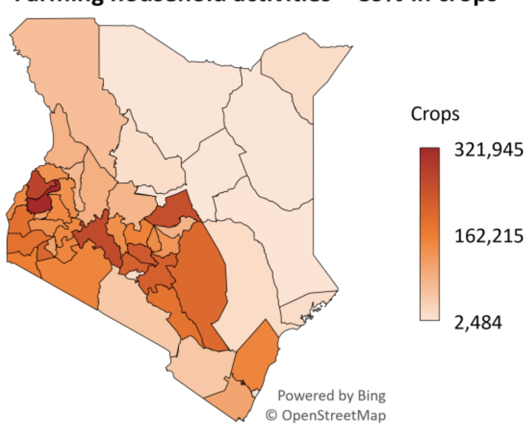
Kenya Pillar 1 – high value agricultural activity concentrated in area straddling Northern Corridor, Rift and Western but widespread arid land

Households concentrated along Northern Corridor and largely active in mixed farming

Farming household activities – 74% in livestock



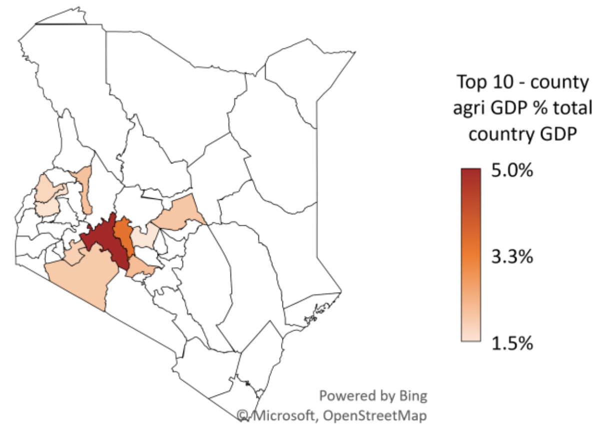
Farming household activities – 89% in crops



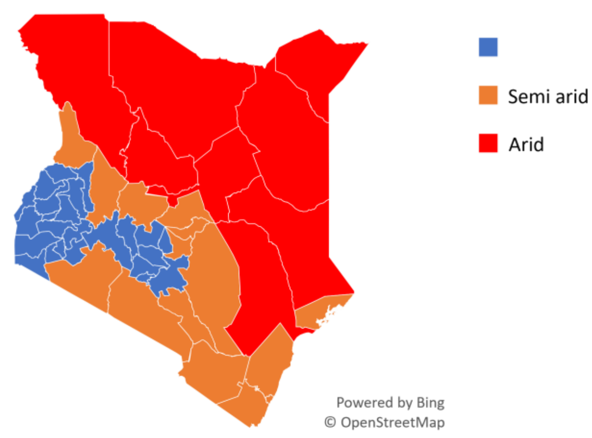
- Agricultural activity concentrated along Kenya's Northern Corridor and largely reflective of population densities along this economic corridor. Consequentially, limited agricultural activity in Northern and eastern counties with exception of pastoralists /cattle farming
- Farming tends to be mixed between livestock and crops with very little specialisation

Rift Valley, Western Kenya major agricultural hubs and northern Kenya arid

Agricultural hubs



Arad and semi arid land



- Kenya agricultural activity concentrated in area straddling western part of the Northern Corridor and overlapping parts of Rift and Western region
- Northern and eastern Kenya arid and semi-arid region of Kenya limiting agricultural activity

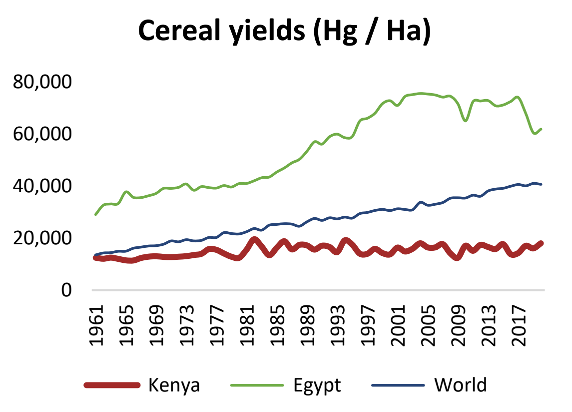
Source: Equity Strategy Office, KNBS

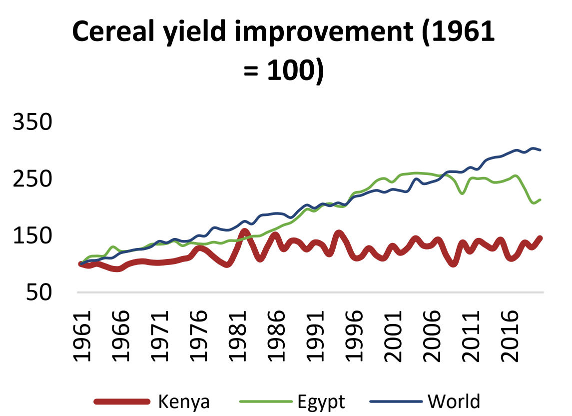
Kenya Pillar 1 – significant potential to increase Kenya agricultural output through yield enhancement supported by farmer capacity building

EQUITY

Equity Group's social engine (executed through the Equity Group Foundation) to support agricultural productivity gains and ultimately higher output through: (i) entrepreneurship training and financial literacy; and (ii) crowd-in partners to support agronomical training. Equity Group's economic engine (executed through banking, insurance and technology groups) to support with financing and insurance. Collaboration and partnerships to support with various risk mitigation tools given elevated risks in agriculture (including climate change)

Focus on yield enhancement





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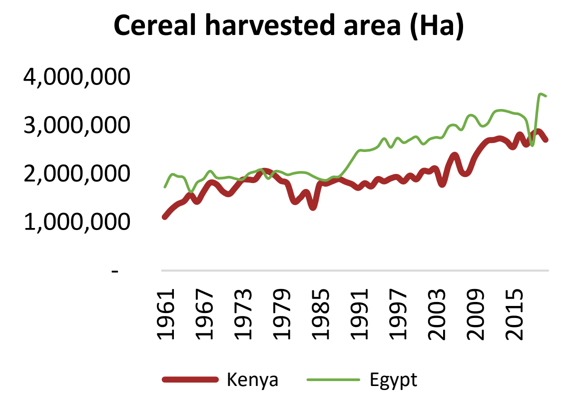
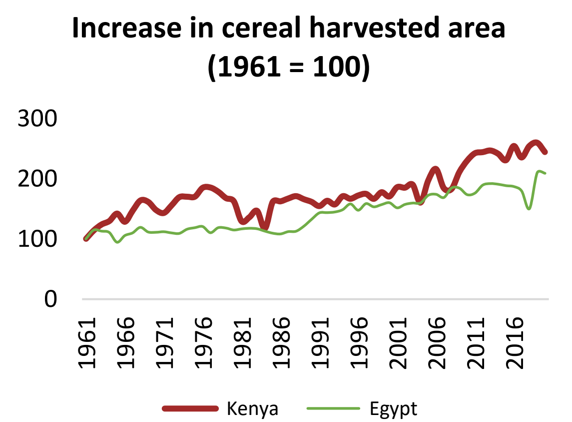
Area harvested to be managed





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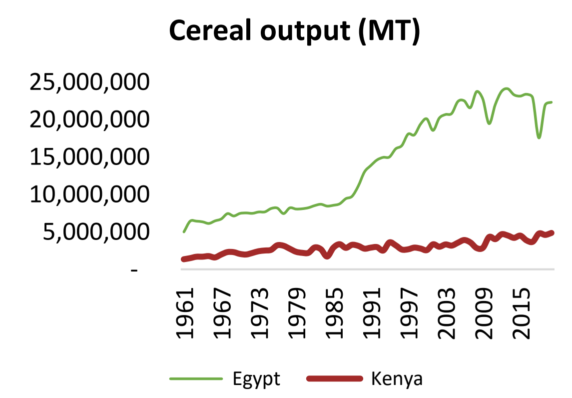
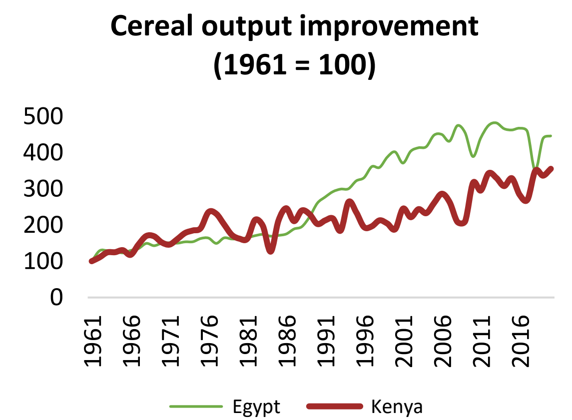
Output to increase significantly



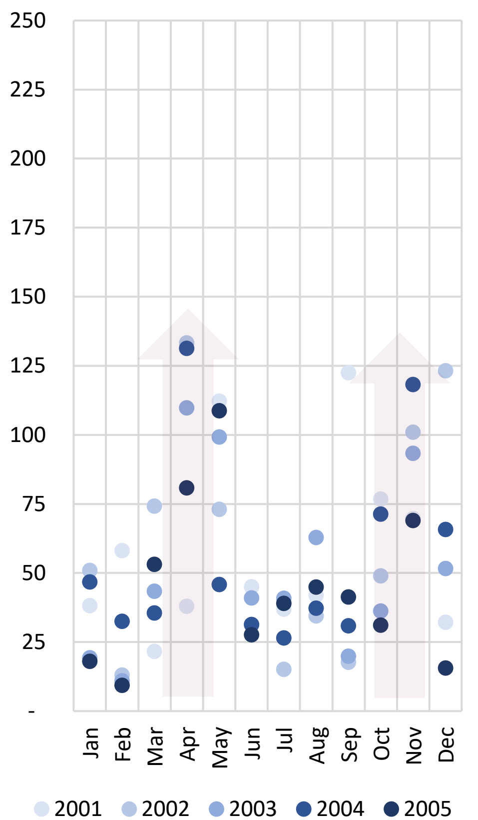


Data source: FAO

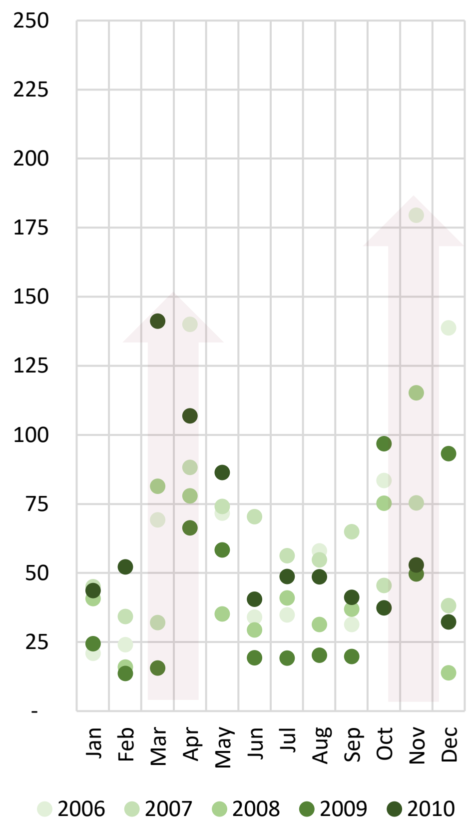
Kenya Pillar 1 – Kenya to become an African centre of excellence in climate adaptation

Climate change poses significant risk to agriculture in Kenya, particularly in the ASAL region. Kenyan farmers should adopt adaptation measures and Kenya should position itself as a centre of excellence in climate adaptation practices such as regenerative agriculture. Considering Equity Group's agricultural history with smallholder farmers, agriculture transformation agenda and social engine, it is positioning itself as a champion of sustainability, particularly in the agricultural sector

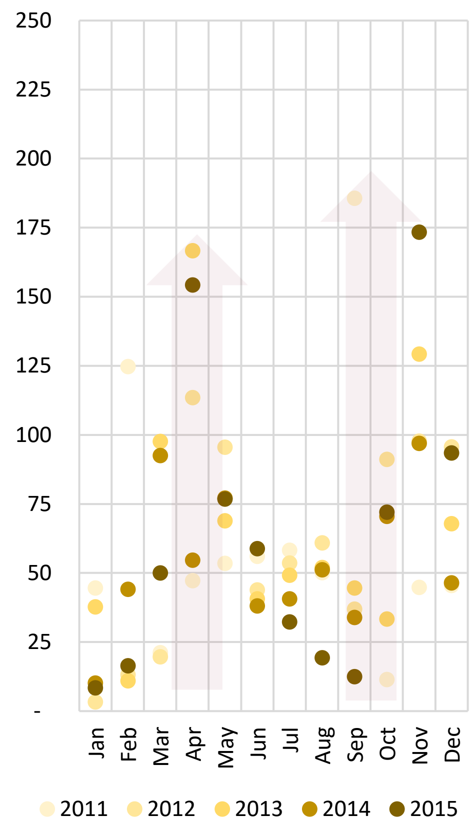
Kenya - trend in precipitation (2001-2005)



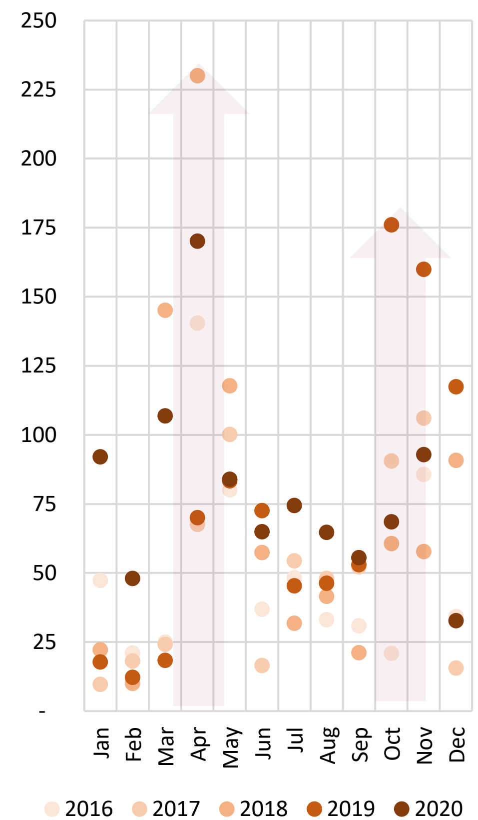
Kenya - trend in precipitation (2006-2010)



Kenya - trend in precipitation (2011-2015)



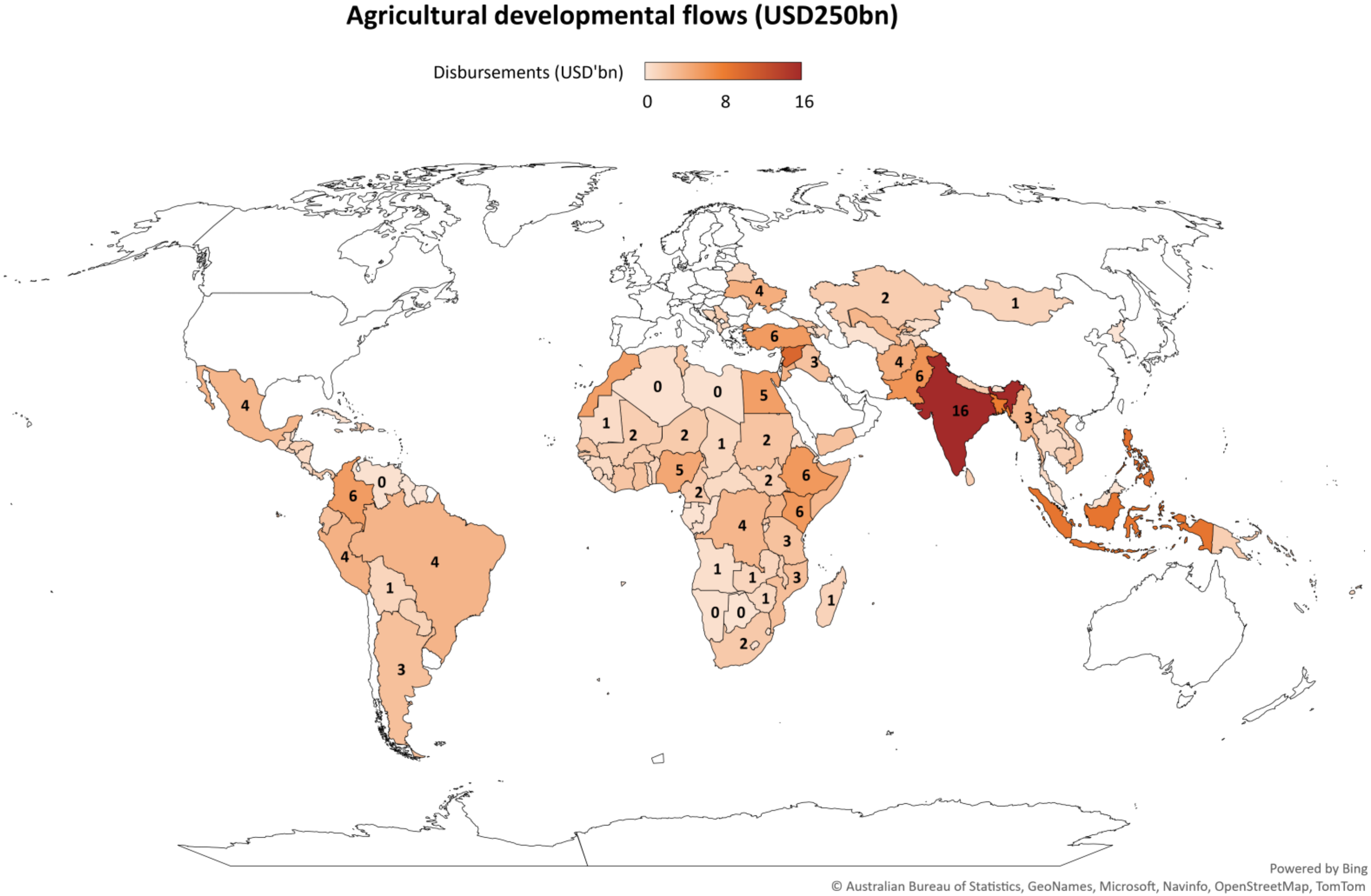
Kenya - trend in precipitation (2016-2020)



Source: World Bank

Kenya Pillar 1 – agricultural investment flows to catalyse transformation

Agricultural developmental flows to support in catalyzing Africa's agricultural transformation



- Given increasingly erratic rainfall patterns, fragmented value chains and subsistence nature of Kenya's agricultural sector, developmental funding will play a key role in supporting Kenya's agricultural development
- More importantly, developmental finance / blended finance should play a catalytic role in socially and economically transforming Kenyan agriculture with the aim of commercializing smallholder farmers
- Equity Group to leverage of its differentiated business model to champion African private sector mindset to play a more developmental and catalytic role
- Equity Group a trusted implementing partner for developmental flows into the agricultural sector

Data source: FAO

Kenya Pillar 1 – EBKL strategic focus areas

EQUITY

PILLAR PROGRAMME: SUSTAINABLY COMMERCIALIZE SMALLHOLDER PRODUCERS

Kenya agricultural sector is largely populated by smallholder producers with limited capacity – need to drive entrepreneurship and productivity gains within agricultural supply chain

FOOD & AGRICULTURE

CEREALS | HORTICULTURE | AQUACULTURE | INPUT & MACHINERY

FIBRE PRODUCTION | DAIRY & LIVESTOCK | MEDICINAL HERBS

INITIATIVES

- **Entrepreneurship capacity** – conversion of subsistence and smallholder farmers into sustainable agro-businesses through financial literacy and entrepreneurship training
- **Production enhancement** – drive smallholder productivity gains through adoption of enhanced farming practices supported by partners in agronomical training.

- **Input access** – input financing schemes and partnerships to drive yields to world averages
- **Mechanization** – asset finance schemes and partnerships to drive yields to world averages

PILLAR PROGRAMME: ENHANCE ECOSYSTEM

Kenya's agricultural sector is fragmented and sub-scale and challenged by market structure deficiencies – need to connect, coordinate, finance and drive a more conducive operating environment

INITIATIVES

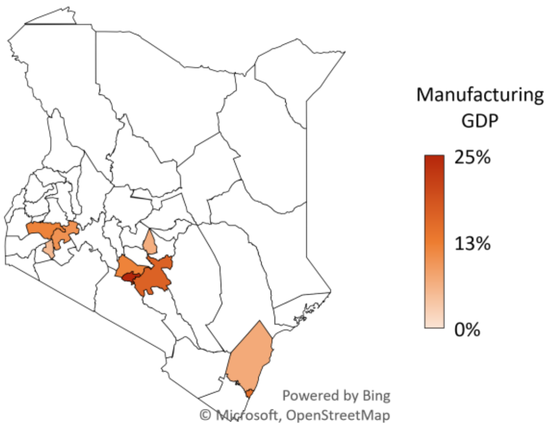
- **Value chain efficiency and optimisation** – crowd in investment into shared infrastructure, enhance pricing efficiencies and R&D. Work with policymakers for conducive environment
- **Market access** – support last mile connectivity and transparency and traceability
- **Value chain linkages** – aggregation of smallholder farmer / fragmented output and enhancement off take arrangements between stakeholders
- **Value chain coordination and access to credit** – ecosystem approach to assist coordinate flow of goods, services and value across the value chain

Source: Equity Strategy

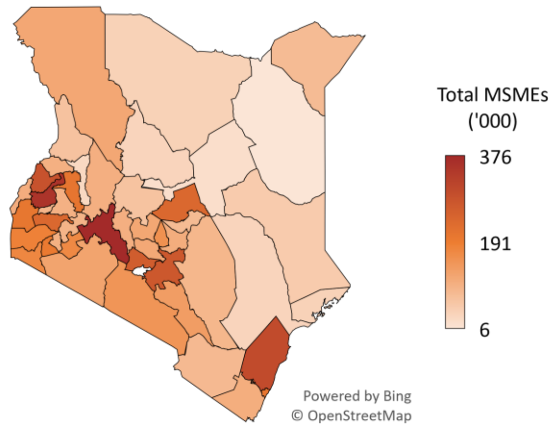
Kenya Pillar 2 – industrial centres anchoring domestic corridors and provide concentrations of ecosystem anchors and MSMEs

Industrial centres provide a repository of ecosystem anchors and concentration of MSMEs

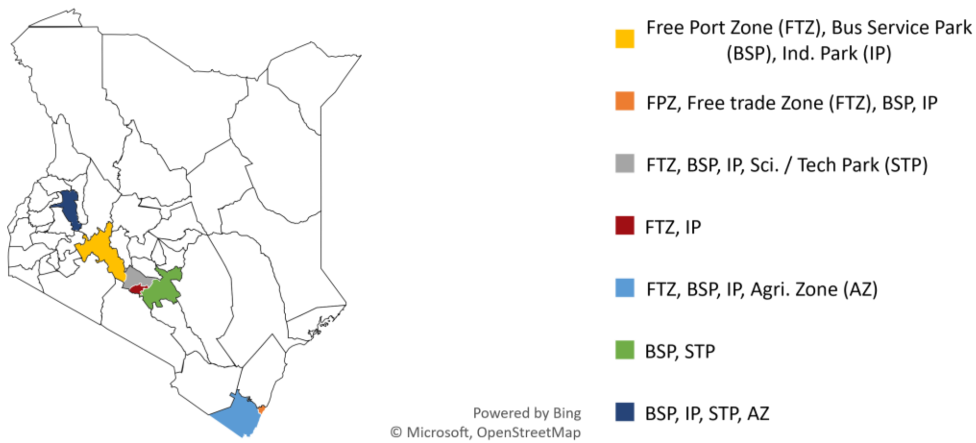
Manufacturing clusters



Distribution of MSMEs (Excl. Nairobi County)



Special Economic Zones

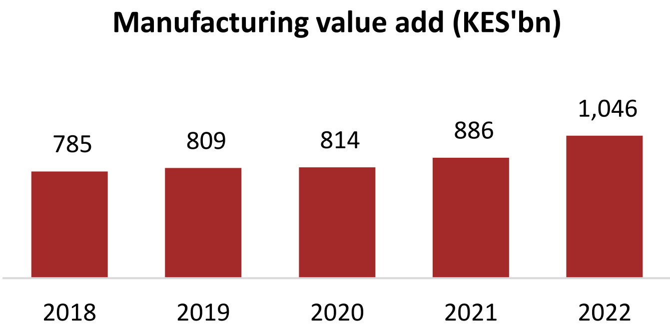


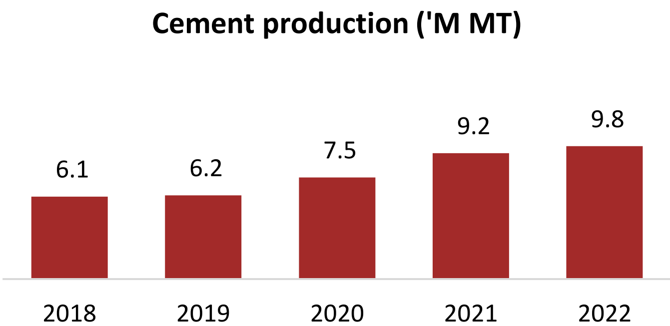
Economic activity concentred along the Northern corridor

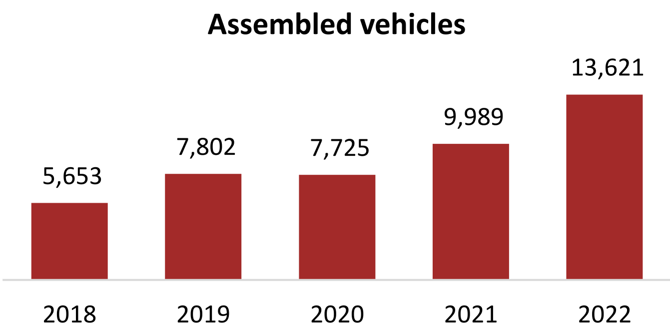
Northern corridor = 78% GDP

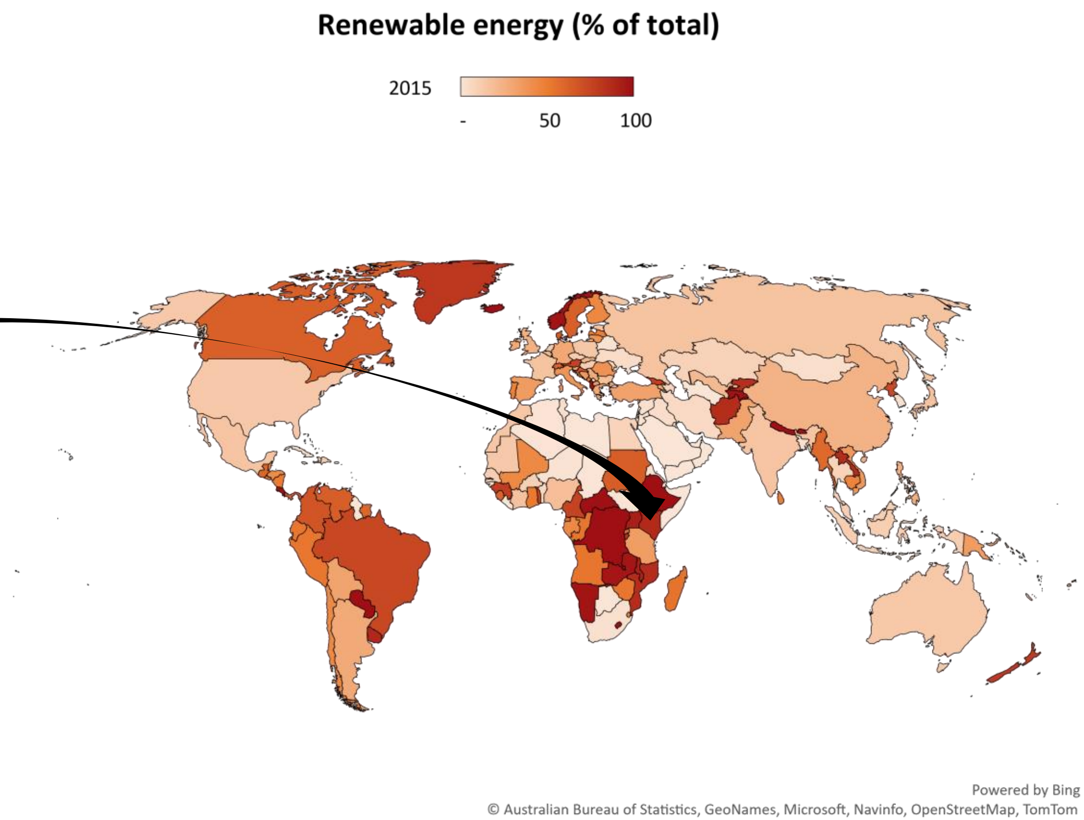
Source: KNBS, Equity Strategy

Kenya Pillar 2 – Kenya's industrial centres powered by renewable energy should benefit from global industrial capacity that is diversifying







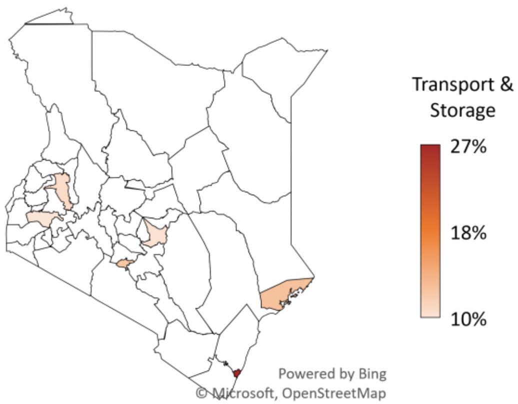


Source: KNBS, Equity Strategy

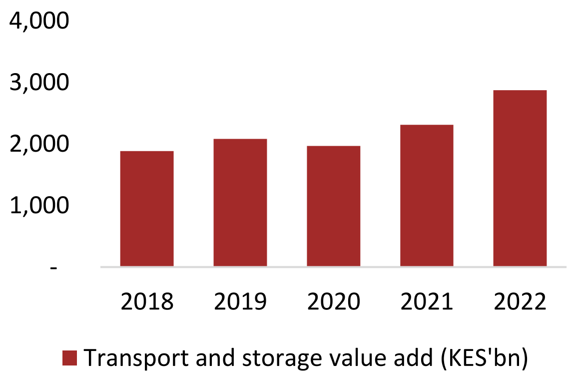
Kenya Pillar 2 – established logistical infrastructure supporting industrial ecosystems

Kenyan logistic hubs

Trans./storage clusters (T&S GDP contribution > 10%)

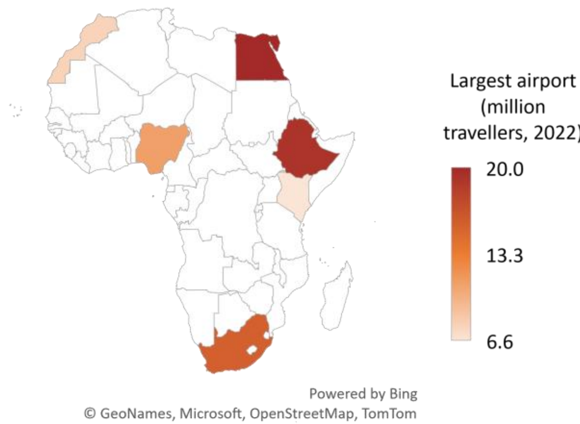


Transport and storage value add (KES'bn)

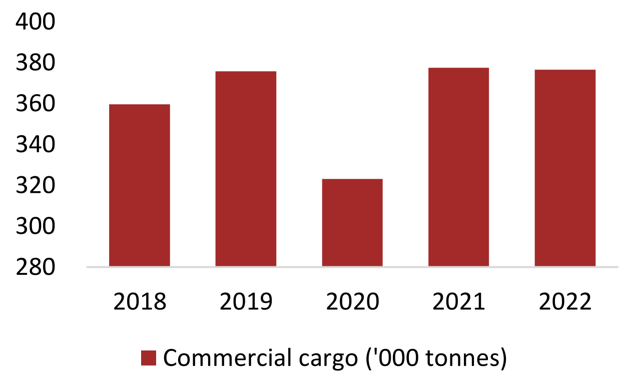


Air infrastructure

Busiest African airports (international+domestic)

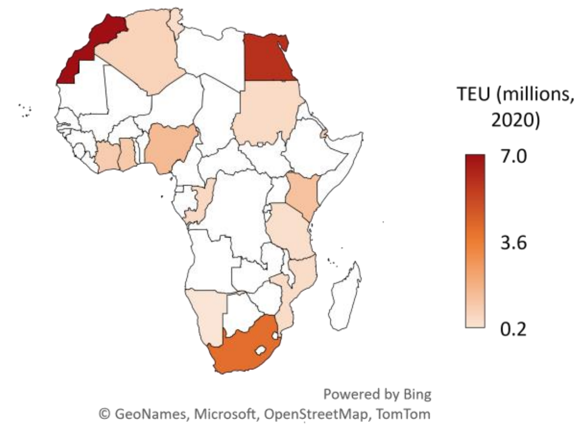


Kenya air cargo

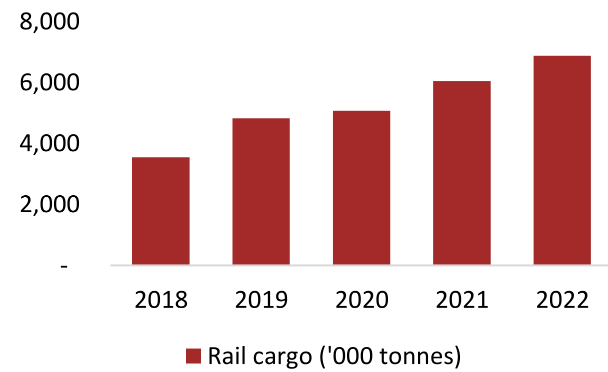


Port and rail infrastructure

Port container activity



Rail cargo

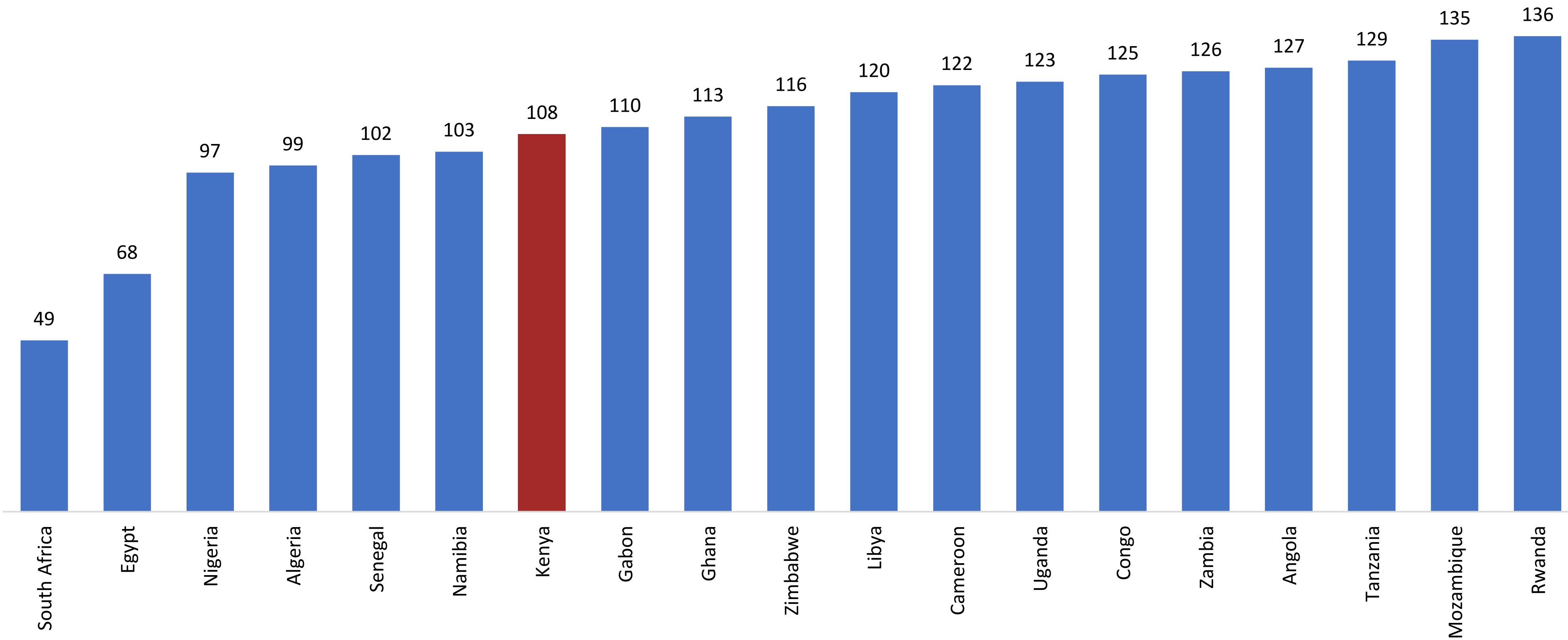


Source: KNBS, UNCTAD, Equity Strategy

Kenya Pillar 2 – Kenya manufacturing competitiveness

Kenyan manufacturing competitiveness ranking

Competitive Industrial Performance Index ranking

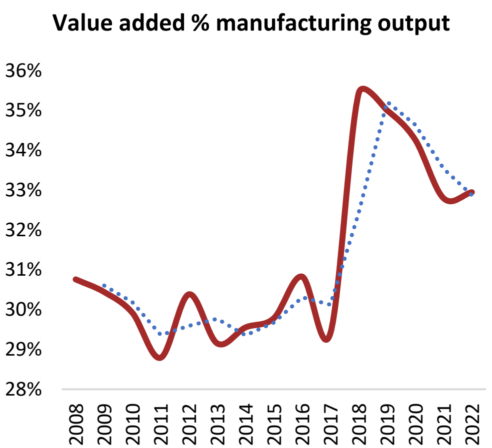


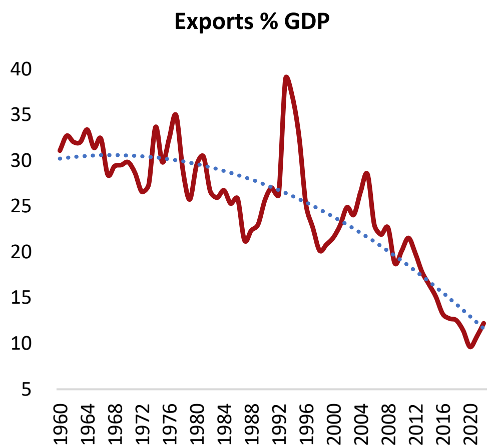
Source: UNIDO

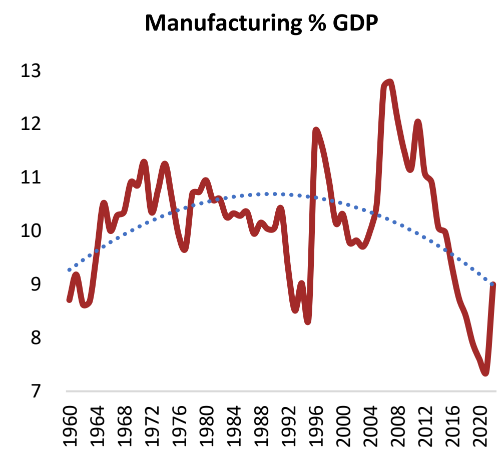
Kenya Pillar 2 – Kenya manufacturing competitiveness needs to dramatically improve in order to maintain its hub and gateway position

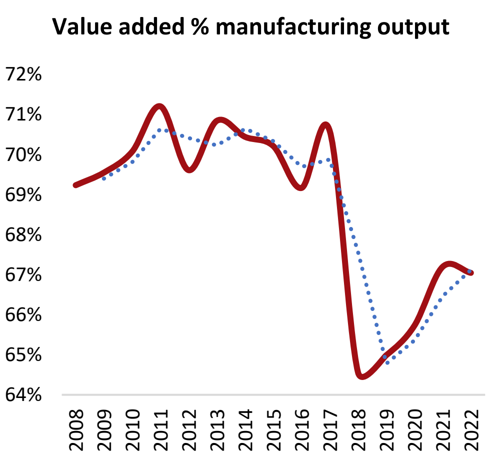
EQUITY

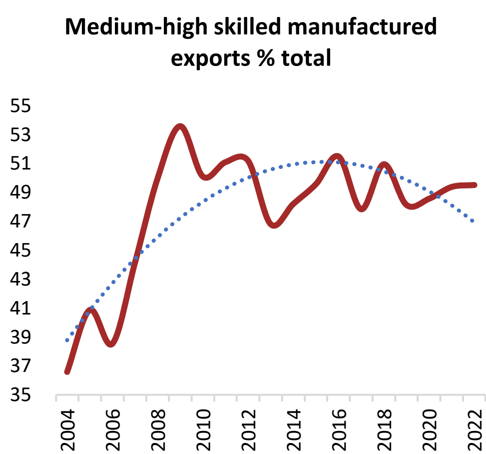
Kenyan manufacturing competitiveness

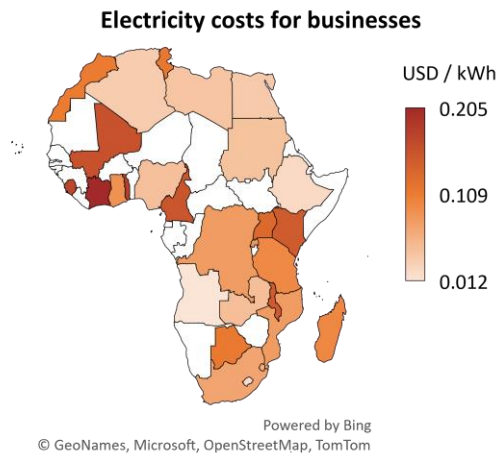












- Kenya manufacturing value added % of manufacturing output has reduced and increasingly reliant on imported intermediate goods for its inputs (will have implications on Kenya's import bill)
- Exports as a % of GDP has significantly reduced overtime with the mix of medium-high skilled exports peaking in 2009 and has since flatlined
- Manufacturing contribution to GDP has significantly reduced in recent years partly given KES relative strength and high cost of doing business

Source: World Bank, UNCTAD, KNBS, KPLC, Globalpetrolprices

Kenya Pillar 2 – EBKL strategic focus areas

PILLAR PRGROMME: SCALE VALUE CHAIN ANCHORS & ENHANCE VALUE CHAIN LINKAGES

Kenya's industrial centres will help drive wealth transformation and the resultant demand complementarities will deepen and broaden Kenya's value chains – need to scale value chain anchors and enhance value chain linkages

INITIATIVES

CAPACITY UTILIZATION AND VALUE CHAIN LINKAGES	CAPACITY EXPANSION
• **Distributor and supply chain linkages** – linkage of suppliers and distributors to anchors through working capital financing for the entire value chain • **Government policy** – work with policymakers for conducive environment	• **Access to credit** – more targeted and intentional credit penetration of the manufacturing sector

PILLAR PROGRAMME: ESTABLISH MANUFACTRUING & SERVICES HUBS

Clustering of Kenya's manufacturing and services will drive economies of scale and comparative advantages – need to coordinate complimenting county capabilities with each other to catalyse integrated and connected Kenyan value chains

KENYA
Diversified economic gateway into Africa and key to EAC

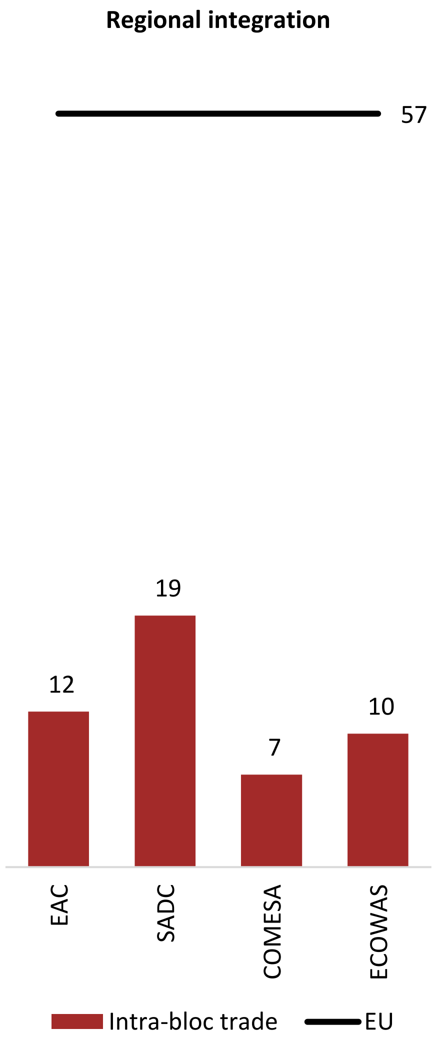
INITIATIVES

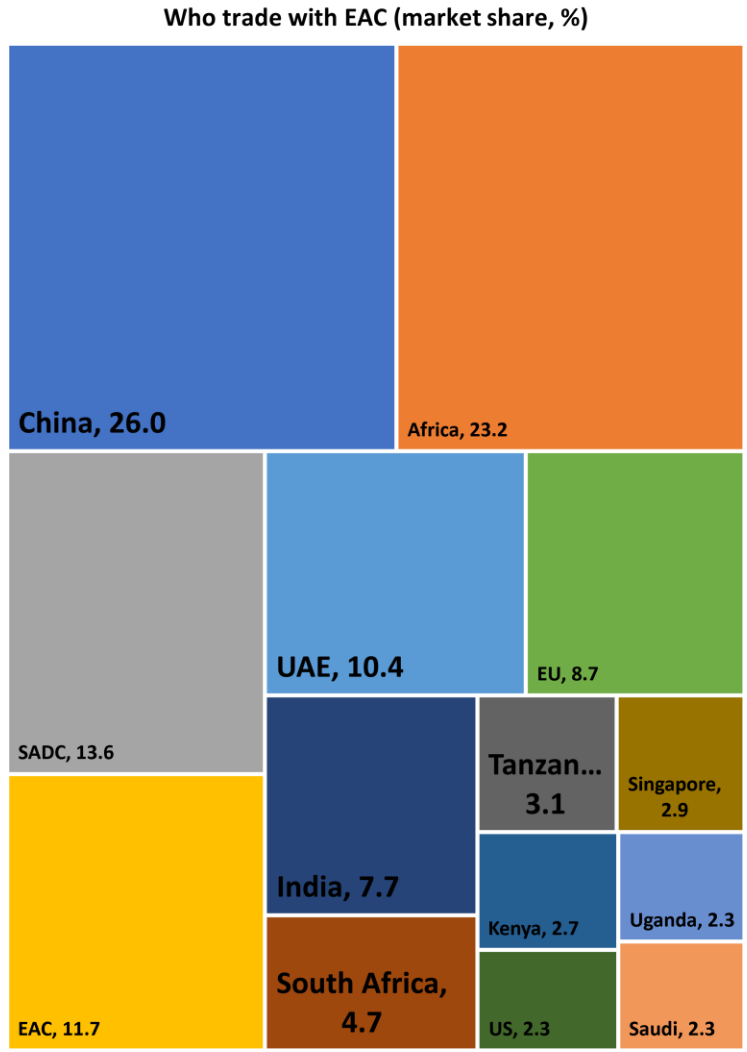
Target the following economic hubs and corridors:

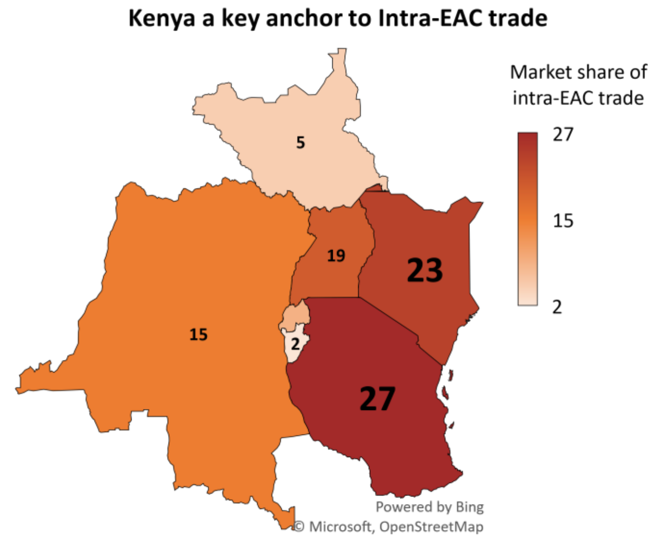
- **Nairobi** – diversified manufacturing and services hub
- **Mombasa** – logistical and agro-processing hub
- **Nakuru** – agro-processing
- **Kisumu** – agro-processing and light manufacturing
- **Northern corridor** – EAC logistics corridor
- **LAPSSET corridor** – Ethiopia, South Sudan corridor

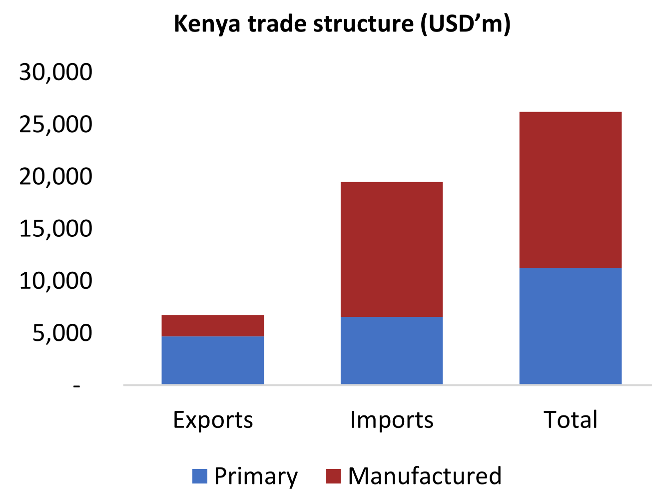
Source: Equity Strategy

Kenya Pillar 3: Kenya the gateway into Africa and an anchor to an expanding EAC bloc







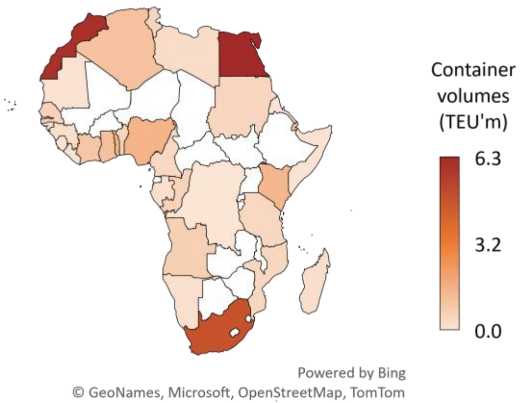


Source: UNCTAD, Equity Strategy

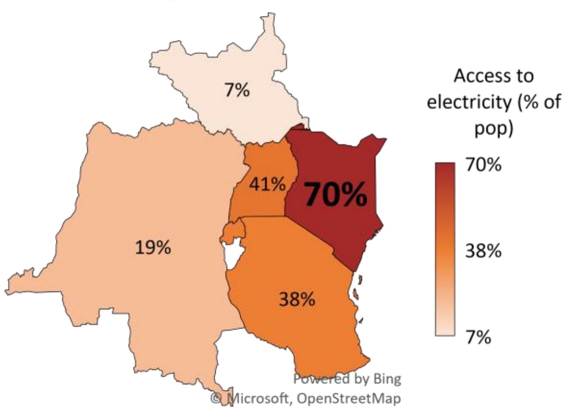
Kenya Pillar 3 – gateway and regional hub status underpinned by domestic economic hubs and logistics servicing the region

Established and growing domestic infrastructure…

Port activity

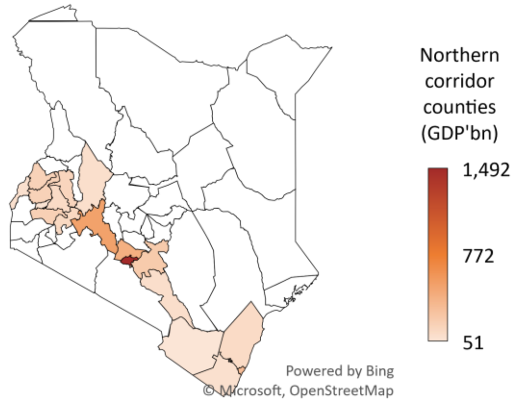


High electricity access

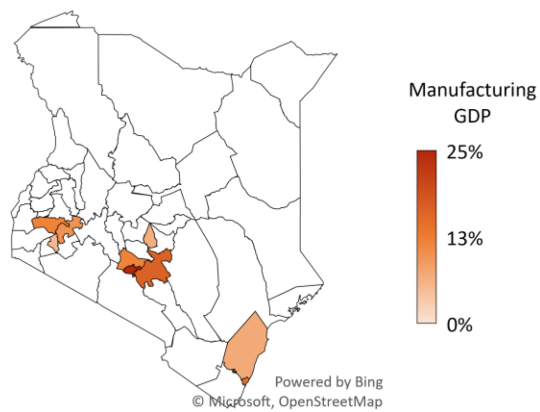


stimulating domestic economic corridors and hubs…

Northern corridor - 78% of GDP

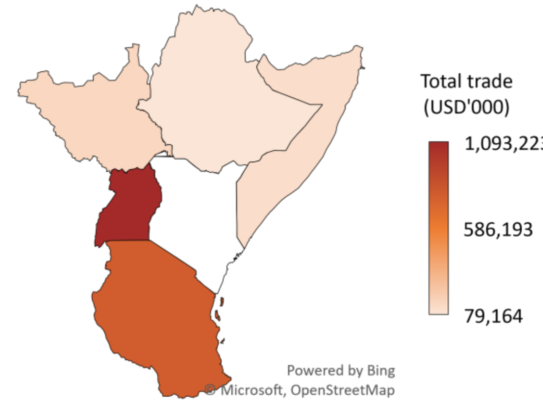


Manufacturing clusters

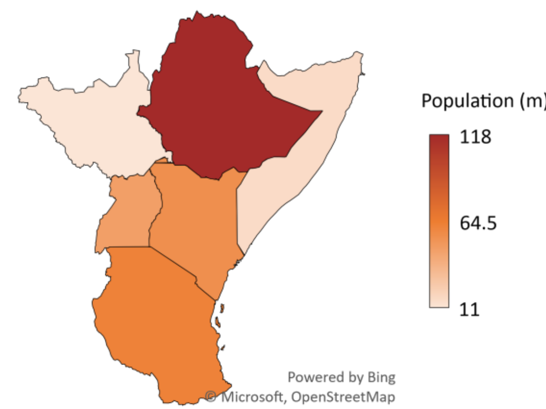


making Kenya the gateway into east and central

Kenya trade with neighbours (USD2.2bn)



Kenya + neighbours population (309m)



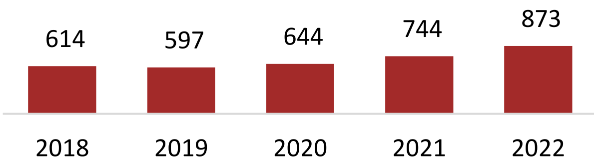
Source: World Bank, UNCTAD, KNBS, Equity Strategy

Kenya Pillar 3 – gateway and regional hub position to provide further momentum to cross border flows

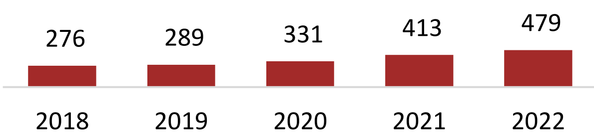
EQUITY

Major USD inflows into Kenya ($12.4bn)

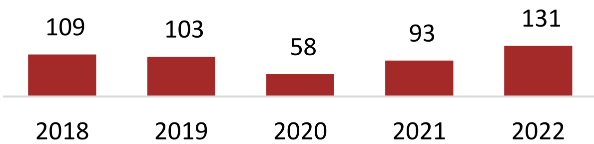
Exports (KES'bn)



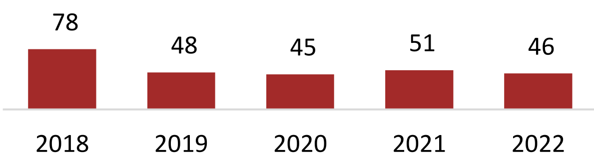
Diaspora (KES'bn)

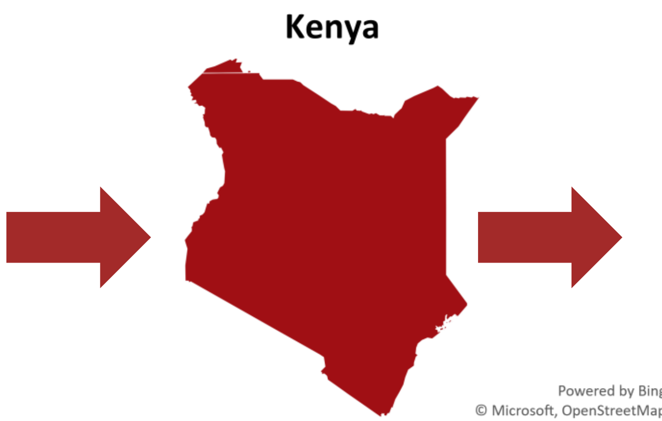


Tourism (KES'bn)



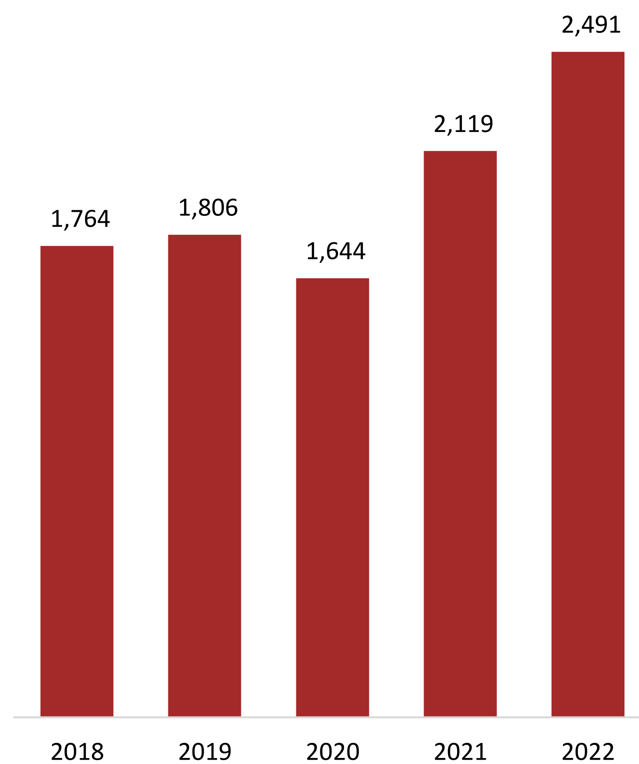
FDI (KES'bn)





USD outflows from Kenya ($20bn)

Imports (KES'bn)



Source: KNBS, Equity Strategy

Kenya Pillar 3 – EBKL strategic focus areas

PILLAR PROGRAMME: INCREASE REGIONAL AND INTERNATIONAL LINKAGES

Kenya to further entrench itself as the gateway into Africa – need to increase Kenya's intra-continental trade within EAC and across COMESA, SADC

INITIATIVES

KENYA AS AN ANCHOR TO "ONE AFRICA"

- **Increased intra-EAC trade –** member linkage through trade missions
- **Regional trade policy** – collaboration through EAC / EABC

INTRACONTINENTAL TRADE

- **Increased intra-Africa trade –** member linkage through trade missions
- **Continental trade policy** – collaboration through AfCFTA

GLOBAL VALUE CHAINS

- **Connectivity to global supply chains and offtake markets** – collaboration through Commonwealth, economic blocs and bilateral collaborations

PILLAR PROGRAMME: ATTRACT FOREIGN DIRECT INVESTMENT

Wealth transformation of Kenya will require significant investment, technological advances and specialised skills – need to champion foreign direct investment into Kenya's primary and manufacturing sectors

FOREIGN DIRECT INVESTMENT

INITIATIVES

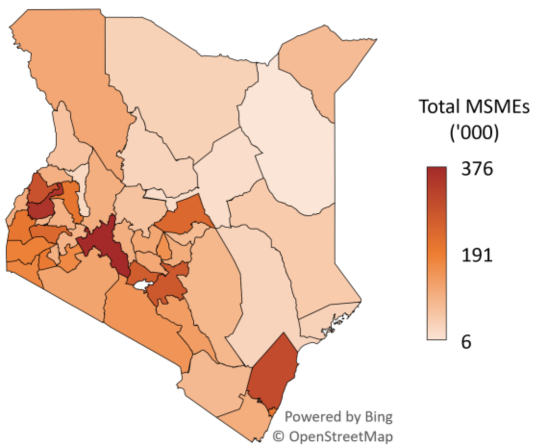
- **Changing the Kenyan narrative** – strong communication and global advocacy of Kenyan opportunities
- **Investment ambassador** – connect capital to opportunities
- **Alternative supply chains** – convert trade into FDI in Kenyan value chains and infrastructure

Source: Equity Strategy

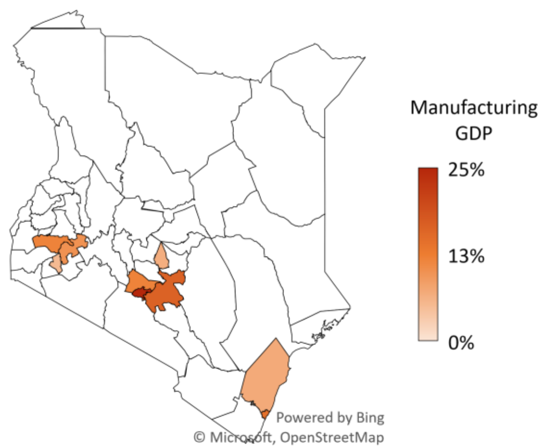
Kenya Pillar 4 – MSMEs concentrated along northern corridor and clustered around industrial centres

Distribution of MSMEs

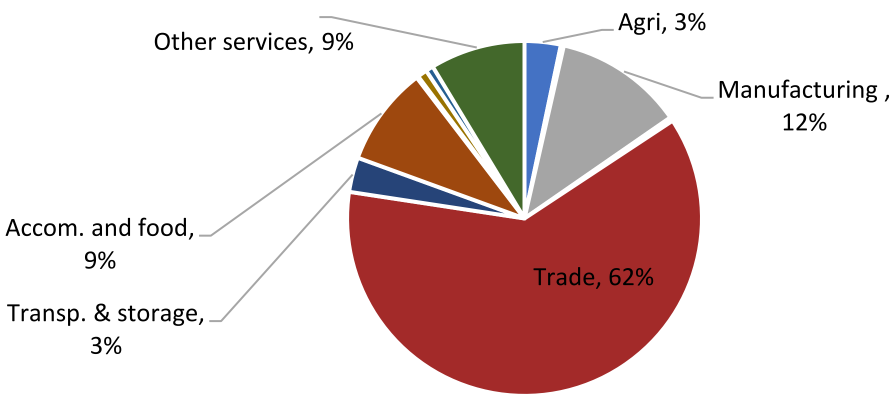
Distribution of MSMEs (Excl. Nairobi County)



Manufacturing clusters

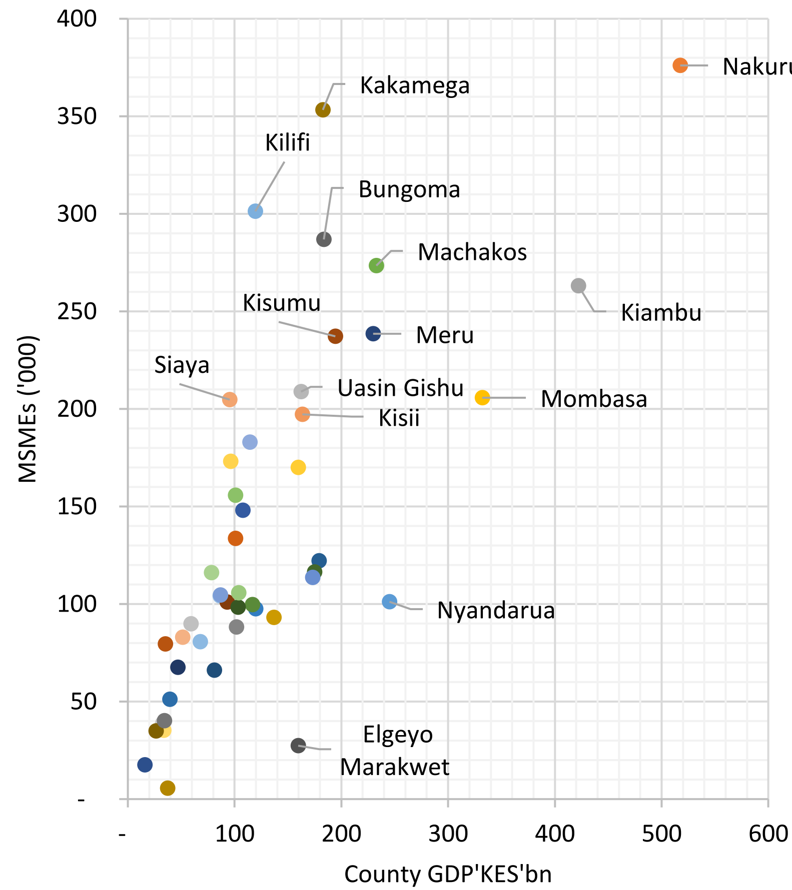


MSME activities



MSMEs concentrated around economic centres

MSME (Excl. Nairobi county)



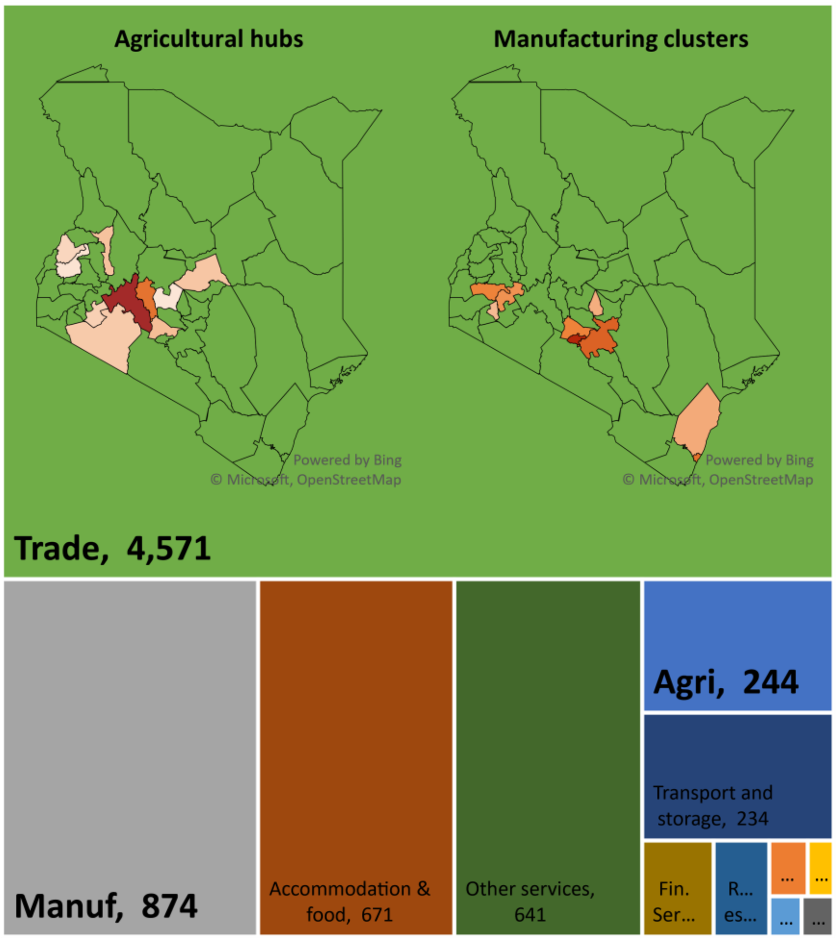
Source: KNBS, Equity Strategy

Kenya Pillar 4 – MSMEs concentrated in agricultural hubs manufacturing clusters

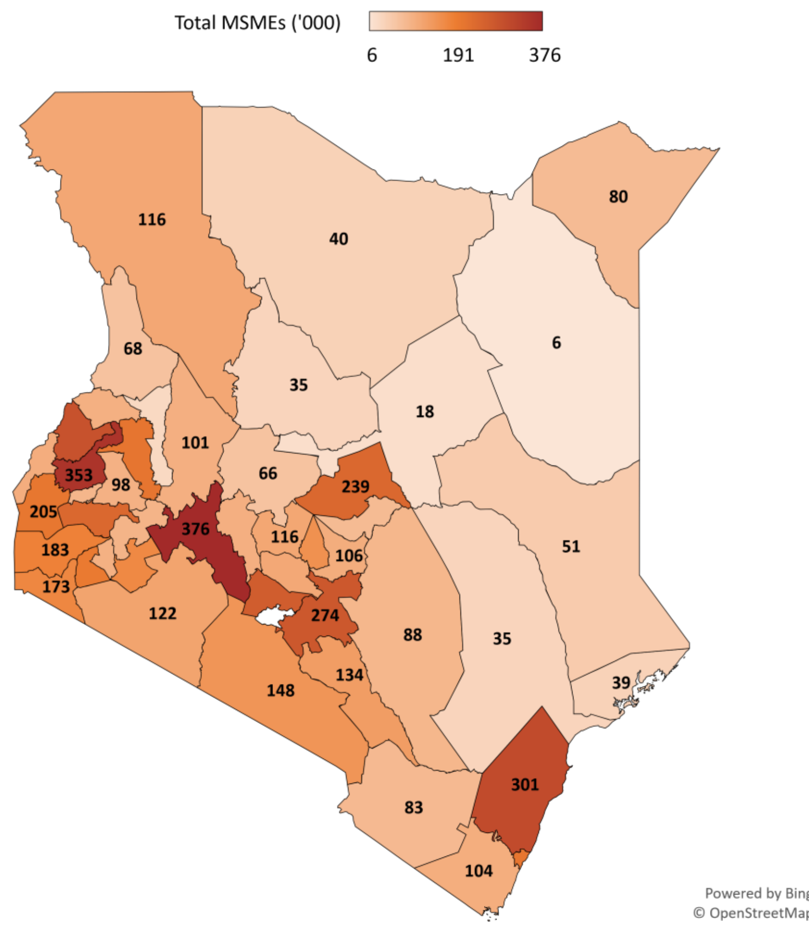
EQUITY

Distribution of MSMEs

In 2016 there were 7.4m MSMEs in Kenya ('000)



Distribution of MSMEs (Excl. Nairobi County)



- MSMEs largely operating in less sophisticated activities and largely in trade services. This sector has low barriers to entry
- MSMEs largely concentrated in high economic clusters and corridors.
- MSMEs concentrated along Northern Corridor, particularly in: (i) economic hubs of Mombasa, Nairobi and Nakuru; and (ii) agricultural hubs of Nakuru, Meru, Kiambu

Source: KNBS, Equity Strategy

Kenya Pillar 4 – EBKL strategic focus areas

PILLAR PROGRAMME: CAPACITY BUILDING OF PRODUCTIVE SECTOR

MSMEs and the informal sector are significant contributors to Kenya's economy – need to assist capacity building and formalization to drive productivity gains

	STAKEHOLDER CAPACITY BUILDING	FIT FOR PURPOSE SKILLED LABOUR
INITIATIVES	• **Entrepreneurship capacity** – conversion of consumption economy into productive economy through entrepreneurship training and accelerate transition of entrepreneurs towards large businesses	• **Job creation** – alignment of labour supply

PILLAR PROGRAMME: ACCELERATE LINKAGE OF MSMEs TO FORMAL VALUE CHAINS

Kenyan MSMEs disenfranchised due to fragmented and disorganized value chains – need a holistic and ecosystem solutioning to connect MSMEs to formal value chains.

	FINANCIAL INCLUSION
INITIATIVES	• **Ecosystem solutioning** – Linkage to formal value chains and value chain anchors • **Access to credit** – more targeted and intentional credit penetration of the MSME sector

Source: Equity Strategy

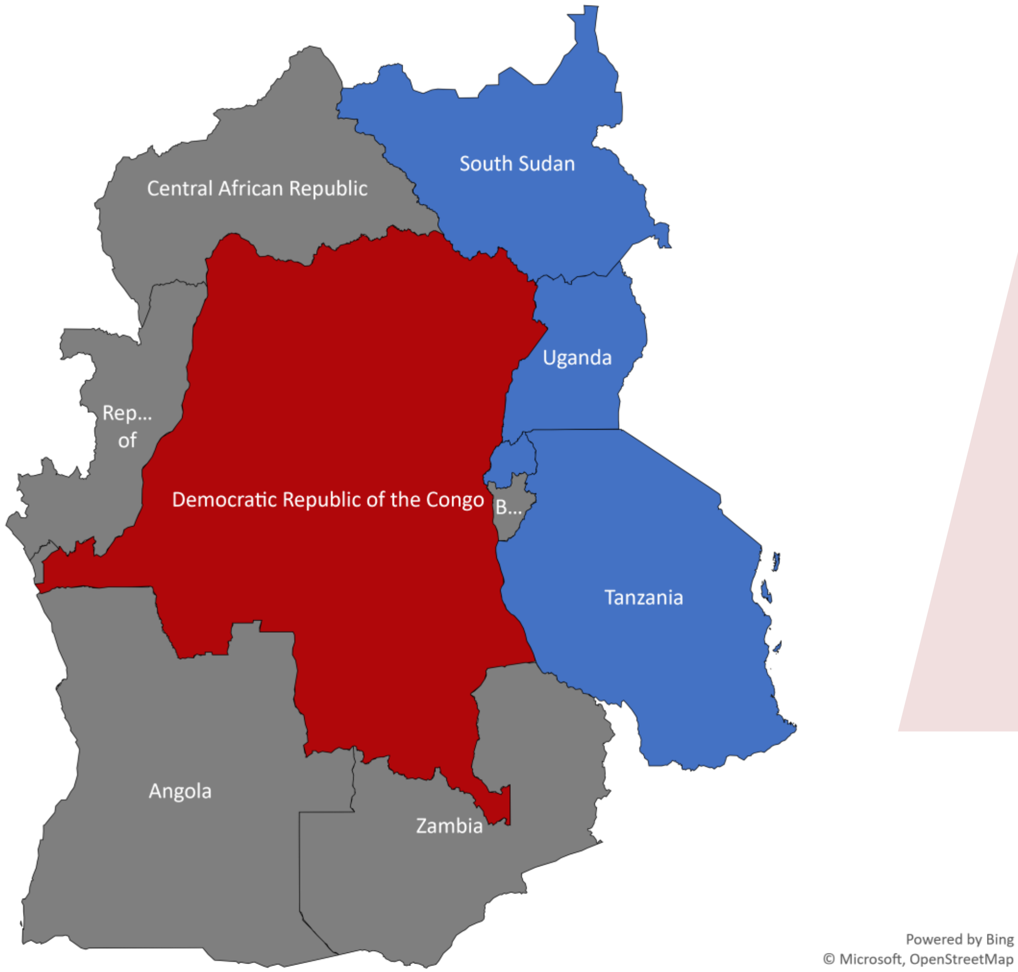
Why DRC?

DRC – global renewable energy and commodities hub and breadbasket

DRC and neighbouring EGH operations

EQUITY

DRC geographic positioning – 9 neighbouring countries, 4 neighbouring EGH subsidiaries



AFRICA RECOVERY AND RESILIENCE PLAN – DRC

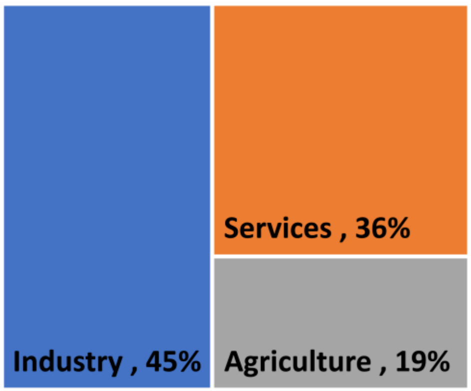
<u>Competitive positioning</u>

Pillar 1(a): Food & Agriculture
Pillar 1(b): Extractives
Pillar 2: Manufacturing & Logistics
Pillar 3: Trade & Investment
Pillar 4: MSMEs
Pillar 5: Social & Environmental Transformation
Pillar 6: Technology-Enabled Ecosystem

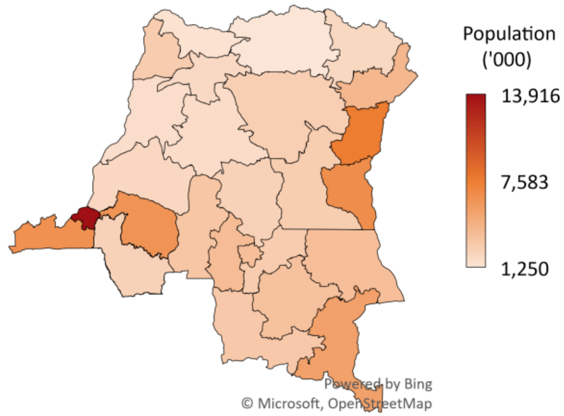
DRC – global renewable energy and commodities hub and breadbasket

Significant natural resource endowment and population

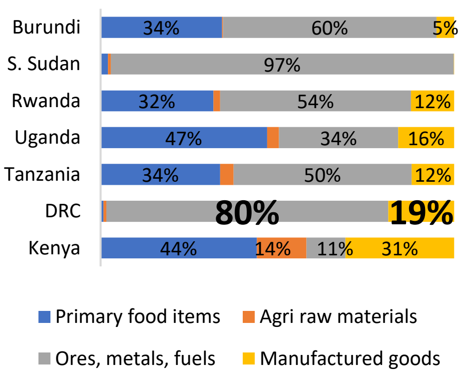
GDP mix



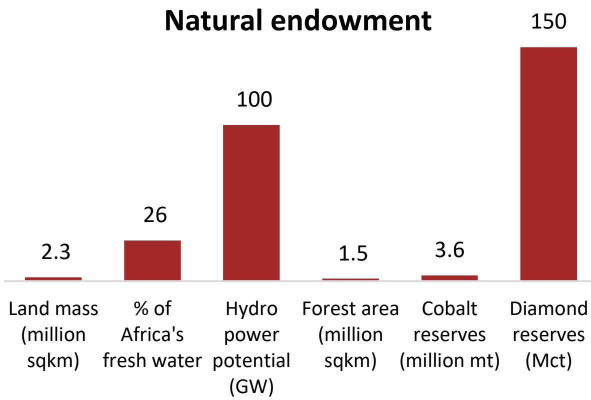
Population



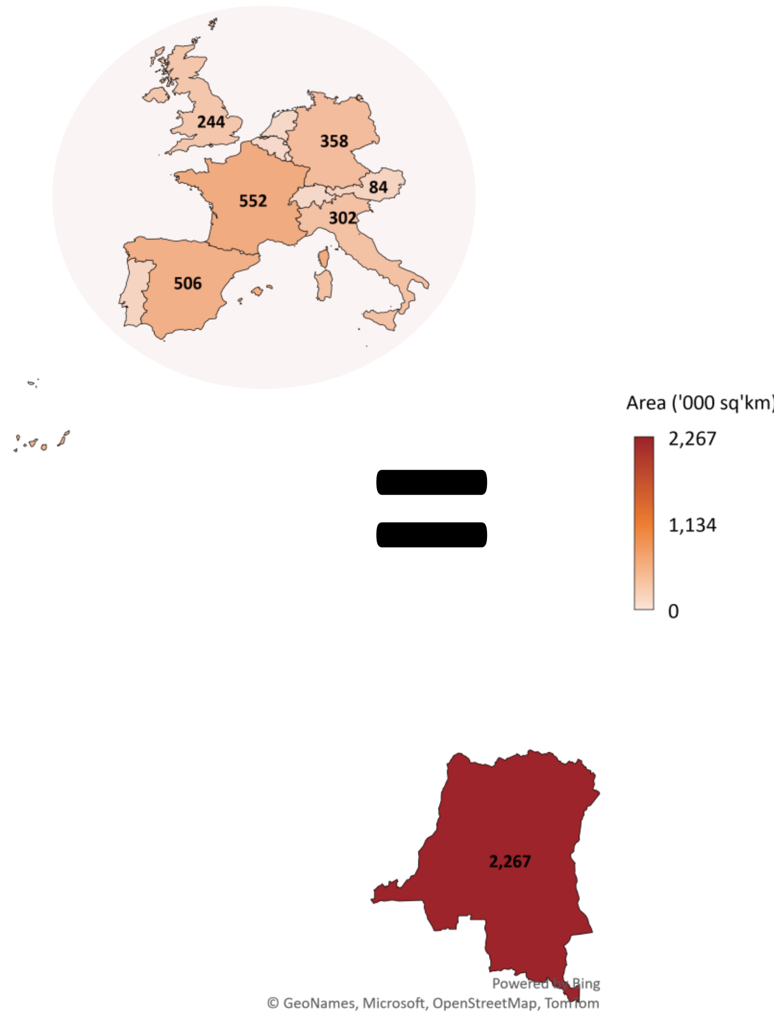
Commodity exporter



Natural endowment



DRC land size in context



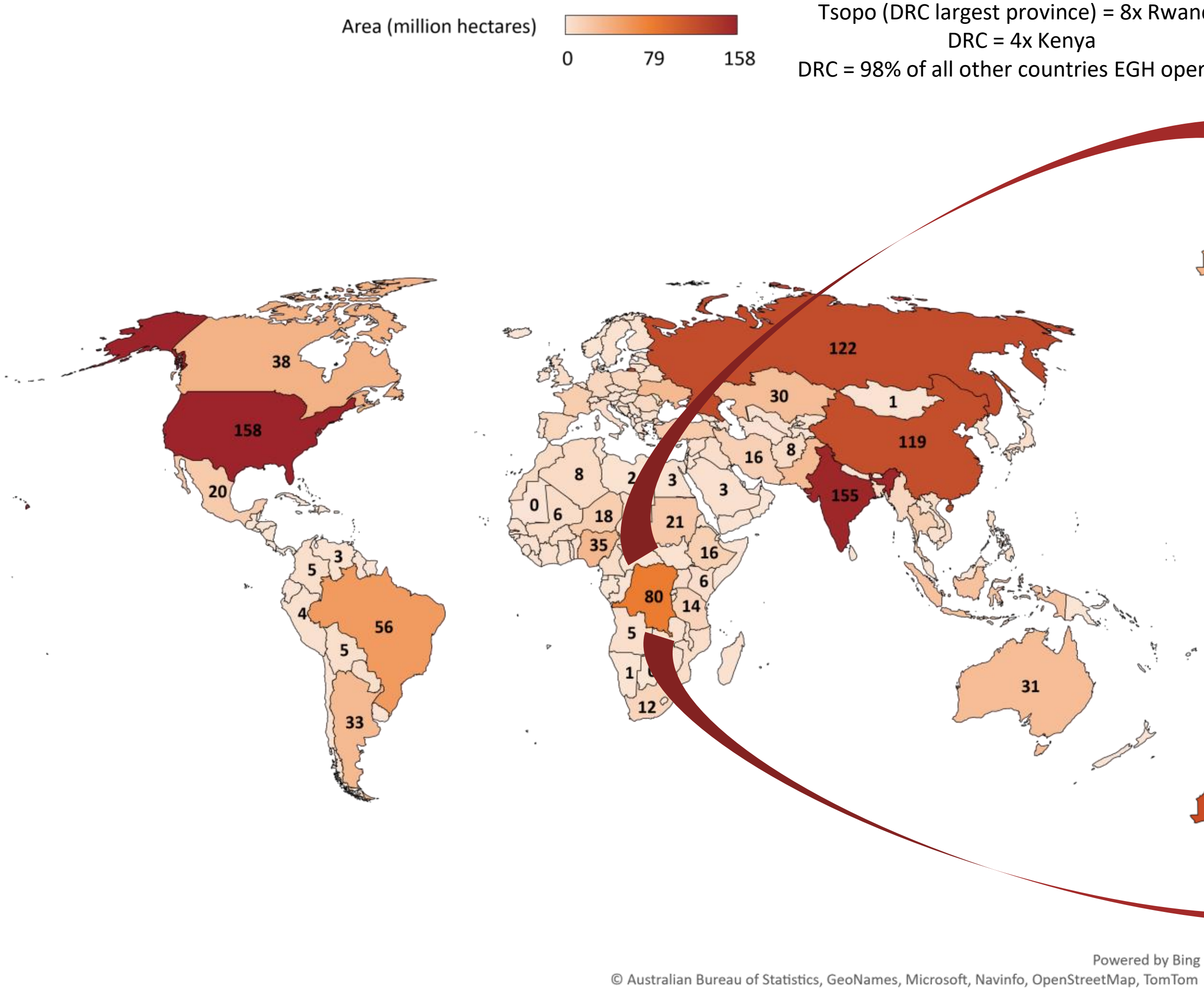
Source: World Bank, Equity Strategy

DRC Pillar 1(a) – DRC agricultural potential in perspective

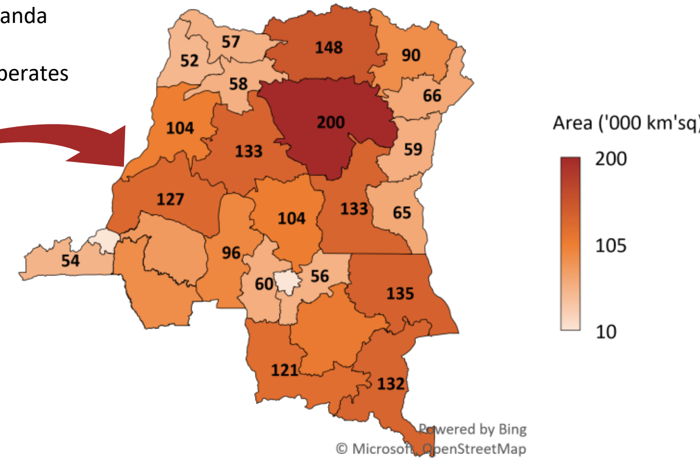
EQUITY

DRC = 91x Rwanda
Tsopo (DRC largest province) = 8x Rwanda
DRC = 4x Kenya
DRC = 98% of all other countries EGH operates

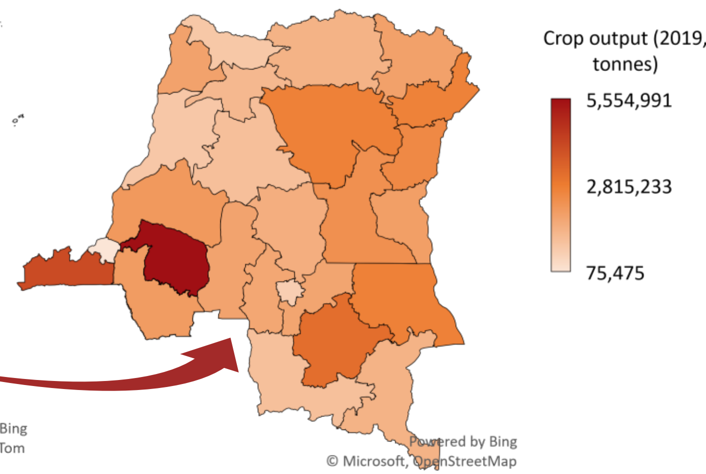
DRC arable land = 80m hectares



DRC land area = 2.3m sq'km



Crop output



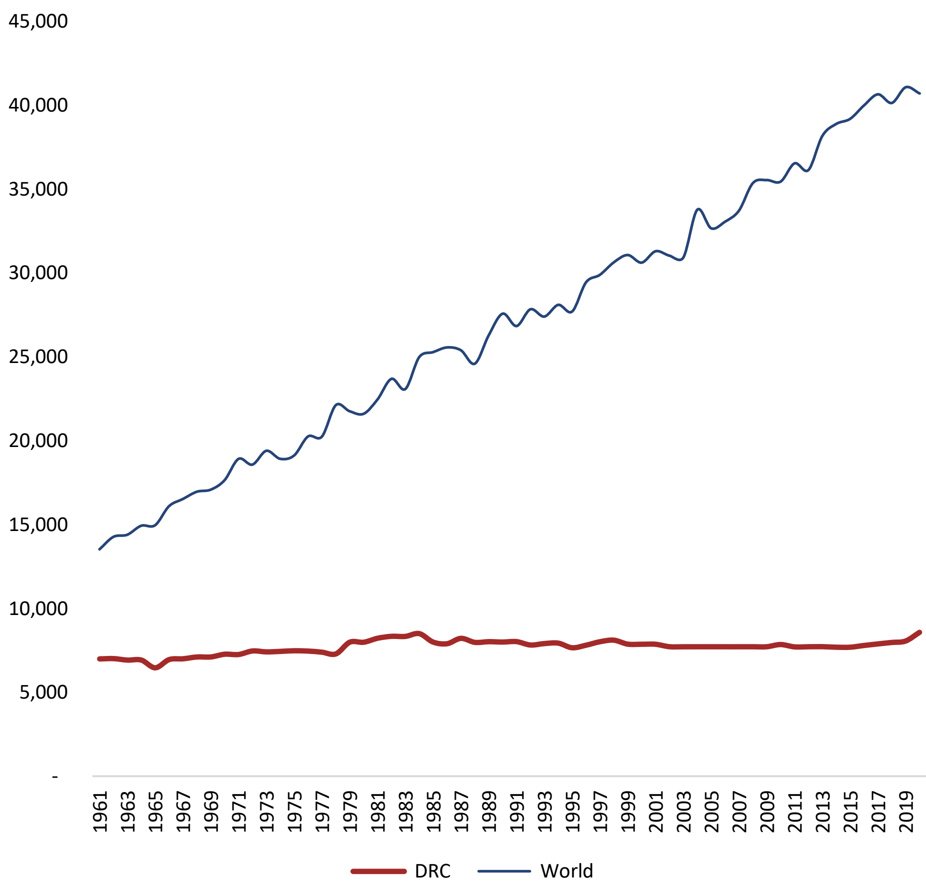
Source: Equity Strategy, DRC government, IFAD, World Bank

DRC Pillar 1(a) – significant potential to increase agricultural output with capacity building

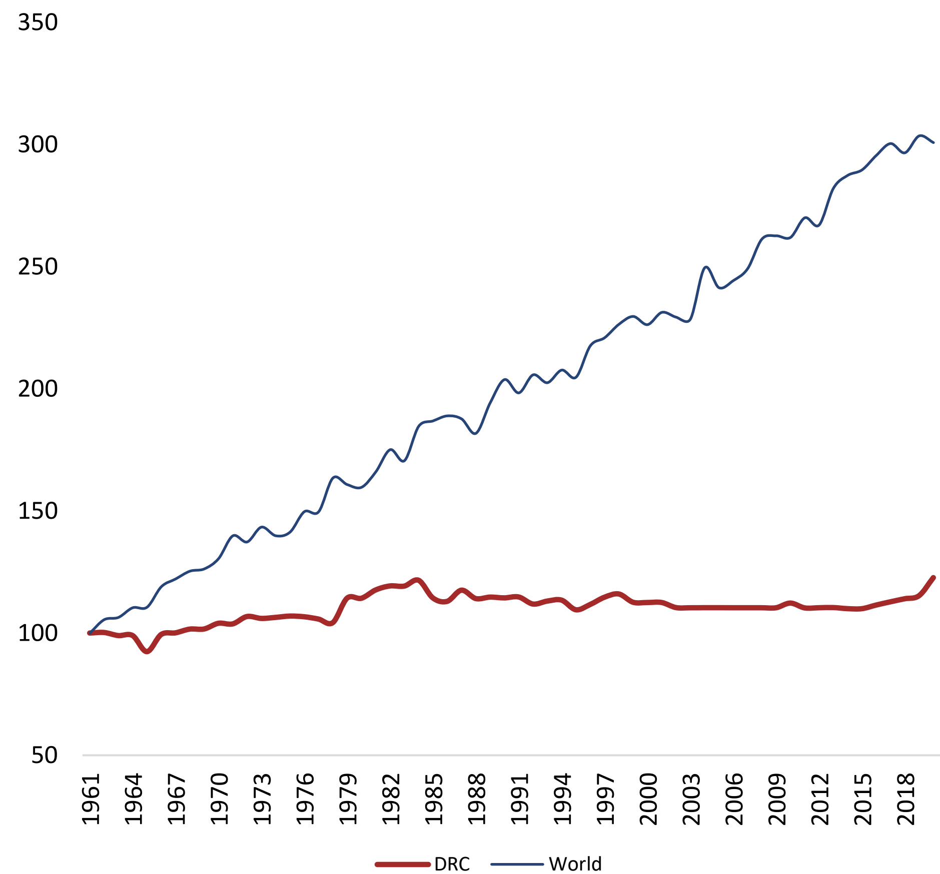
EQUITY

DRC cereal yields

Cereal yields (Hg / Ha)



Cereal yield improvement (1961 = 100)

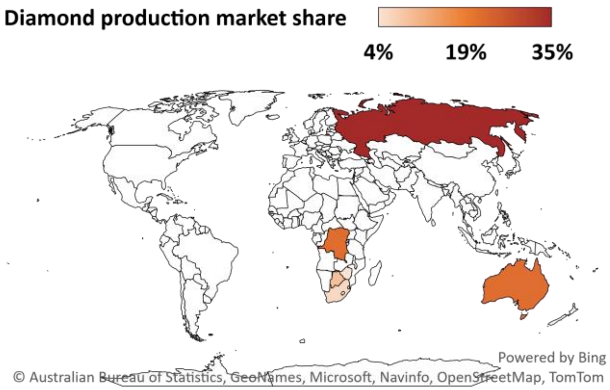


Data source: FAO

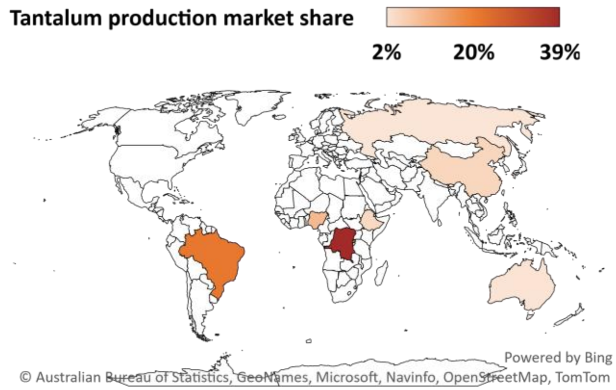
DRC Pillar 1(b) – significant commodity producer in critical minerals

DRC a global commodities producer in critical minerals

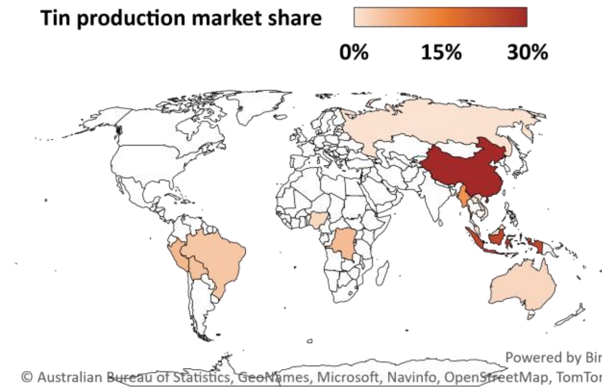
Major diamond producers



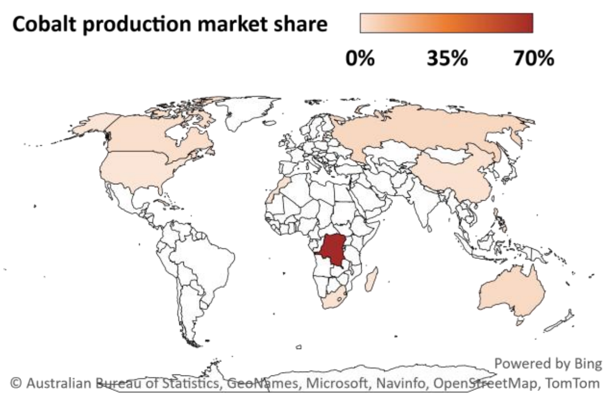
Major tantalum producers



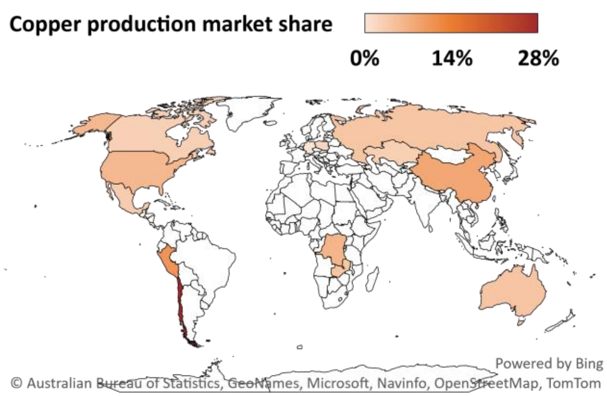
Major tin producers



Major cobalt producers



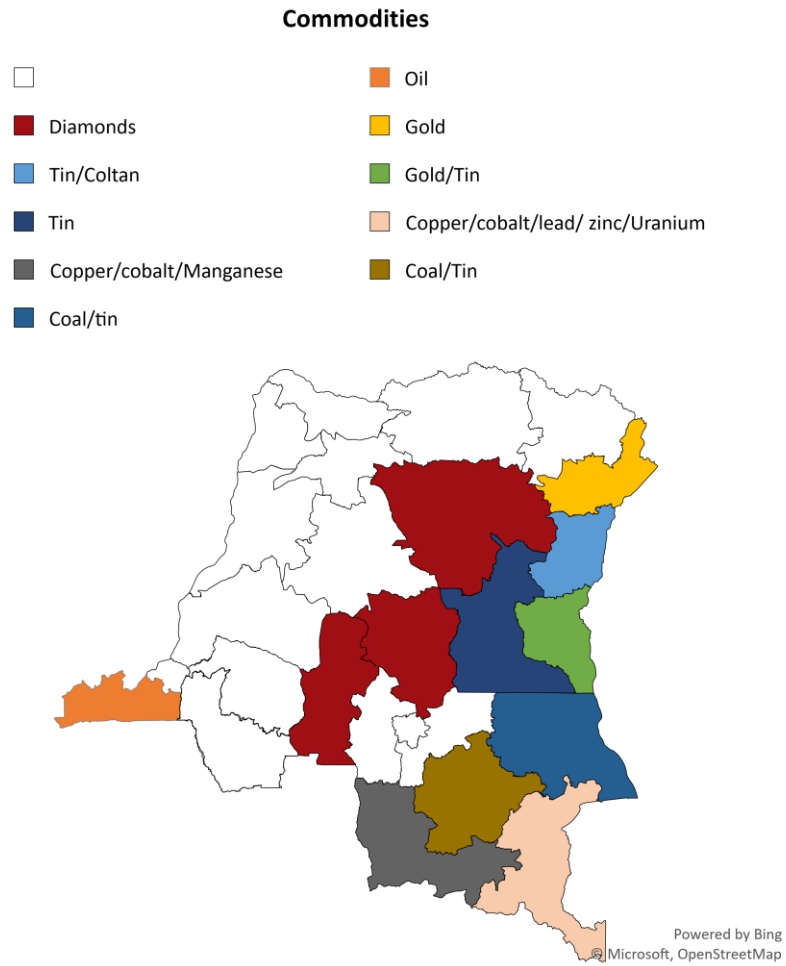
Major copper producers



Source: IEA, CIA

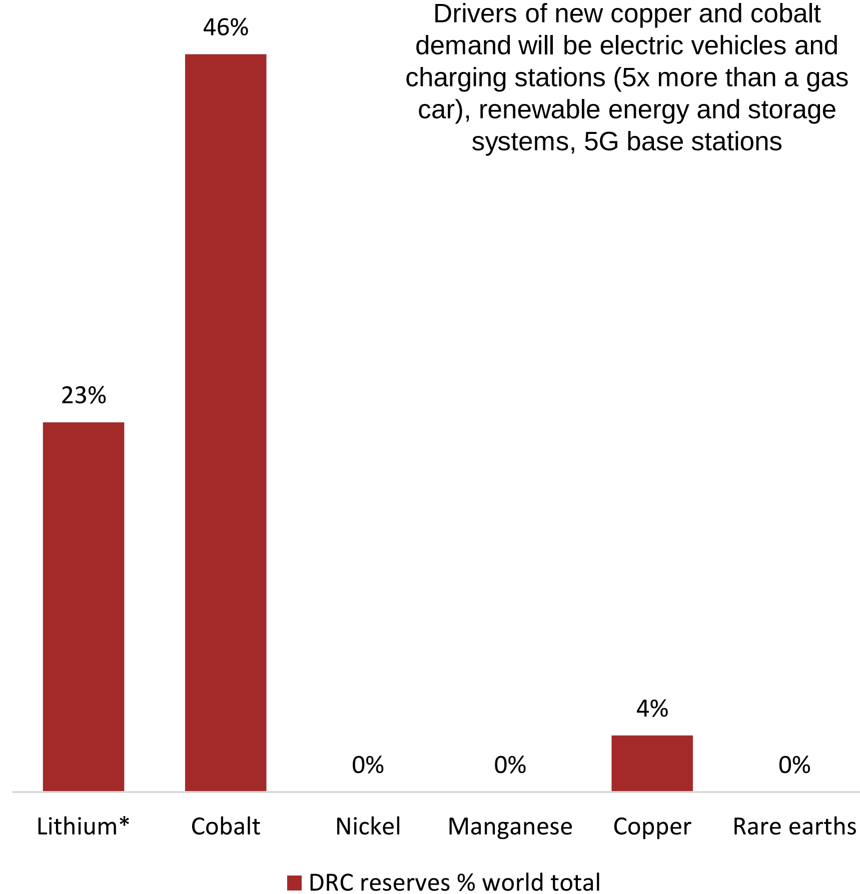
DRC Pillar 1(b) – diverse basket of commodities

Diverse basket of commodities



Critical commodities in a green future

Drivers of new copper and cobalt demand will be electric vehicles and charging stations (5x more than a gas car), renewable energy and storage systems, 5G base stations



Source: IEA, CIA, Equity Strategy.*Equity Strategy estimate on recent discoveries

DRC Pillar 1 – EBCDC strategic focus areas

EQUITY

PILLAR PROGRAMME: SUSTAINABLY COMMERCIALIZE SMALLHOLDER PRODUCERS

DRC primary sectors are largely populated by smallholder producers with limited capacity – need to drive entrepreneurship and productivity gains within primary supply chains

FOOD & AGRICULTURE

CEREALS | HORTICULTURE | AQUACULTURE | FIBRE PRODUCTION | DAIRY & LIVESTOCK | MEDICINAL HERBS

INITIATIVES

- **Entrepreneurship capacity** – conversion of subsistence and smallholder farmers into sustainable agro-businesses through financial literacy and entrepreneurship training
- **Production enhancement** – drive smallholder productivity gains through adoption of enhanced farming practices

INPUT & MACHINERY

- **Input access** – input financing schemes and partnerships to drive yields to world averages
- **Mechanization** – asset finance schemes and partnerships to drive yields to world averages

EXRTACTIVES

ARTISINAL MINING

- **Entrepreneurship capacity** – conversion of artisanal miners into formal businesses through financial literacy and entrepreneurship training

PILLAR PROGRAMME: ENHANCE ECOSYSTEM

DRC primary sectors are fragmented and sub-scale and challenged by market structure deficiencies – need to connect, coordinate, finance and drive a more conducive operating environment

INITIATIVES

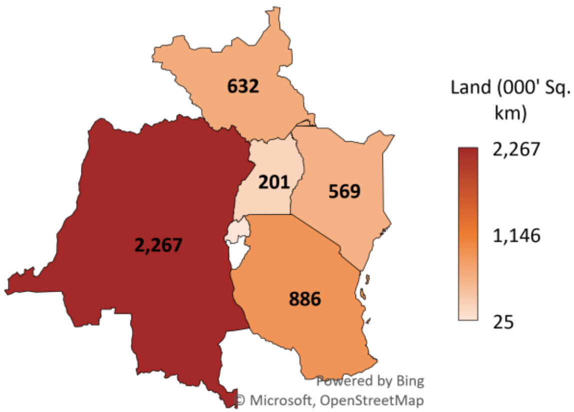
- **Value chain efficiency and optimisation** – crowd in investment into shared infrastructure, enhance pricing efficiencies and R&D. Work with policymakers for conducive environment
- **Market access** – support last mile connectivity and transparency and traceability
- **Value chain linkages** – aggregation of smallholder farmer / fragmented output and enhancement off take arrangements between stakeholders
- **Value chain coordination and access to credit** – well-structured financial services to assist coordinate flow of goods, services and value across the value chain. This will not only drive productivity gains but also help reduce financial diversion in the value chain

Source: Equity Strategy

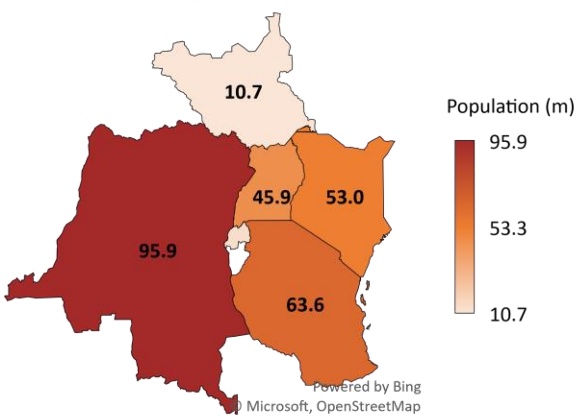
DRC Pillar 2 – weak infrastructure will challenge manufacturing and logistics over the medium- to long-term

Large land area and population…

Land area (4,580)

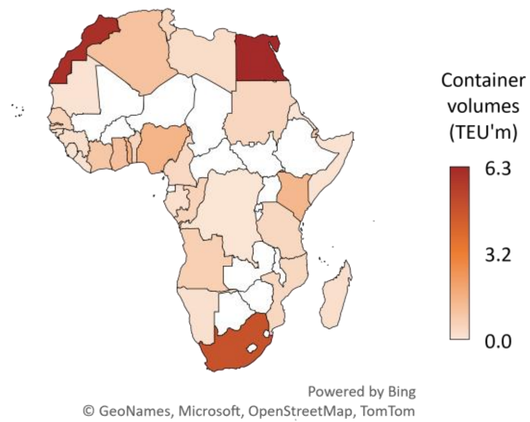


Population (283m)

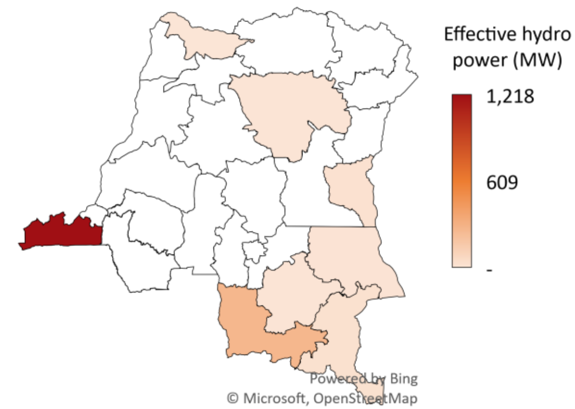


but significant infrastructure gaps

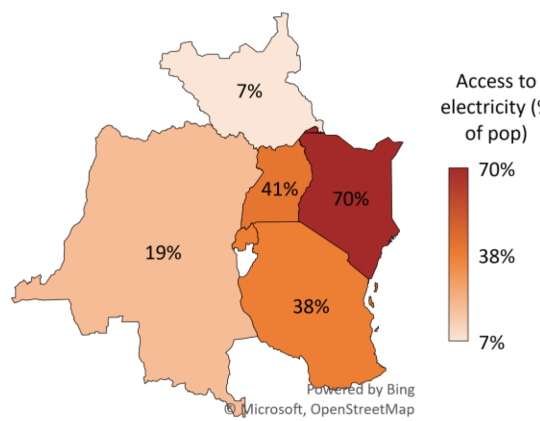
Port activity



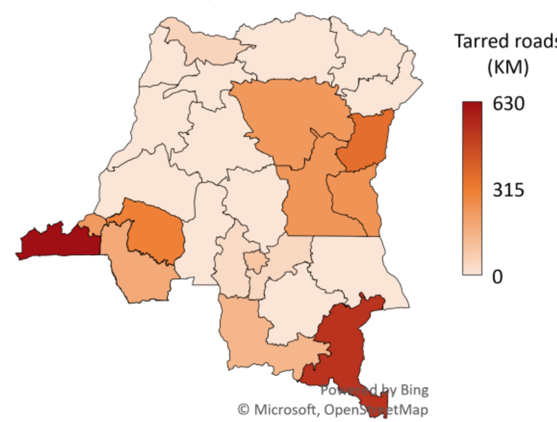
Hydropower generation



Very low electricity access



Transport infrastructure



Source: World Bank, UNCTAD, Equity Strategy

DRC Pillar 2 – EBCDC strategic focus areas

EQUITY

PILLAR PRGROMME: SCALE VALUE CHAIN ANCHORS & ENHANCE VALUE CHAIN LINKAGES

Value addition of DRC's resources will drive wealth transformation and the resultant demand complementarities will deepen and broaden DRC value chains – need to scale value chain anchors and enhance value chain linkages

INITIATIVES

CAPACITY UTILIZATION AND VALUE CHAIN LINKAGES

- **Distributor and supply chain linkages** – linkage of suppliers and distributors to anchors through working capital financing for the entire value chain
- **Government policy** – work with policymakers for conducive environment

CAPACITY EXPANSION

- **Access to credit** – more targeted and intentional credit penetration of the manufacturing sector

PILLAR PROGRAMME: ESTABLISH MANUFACTRUING & SERVICES HUBS

Clustering of DRC's manufacturing and services will drive regional economies of scale and comparative advantages – need to coordinate complimenting country capabilities with each other to catalyse an integrated and connected Africa

INITIATIVES

DRC
Global renewable energy hub and breadbasket

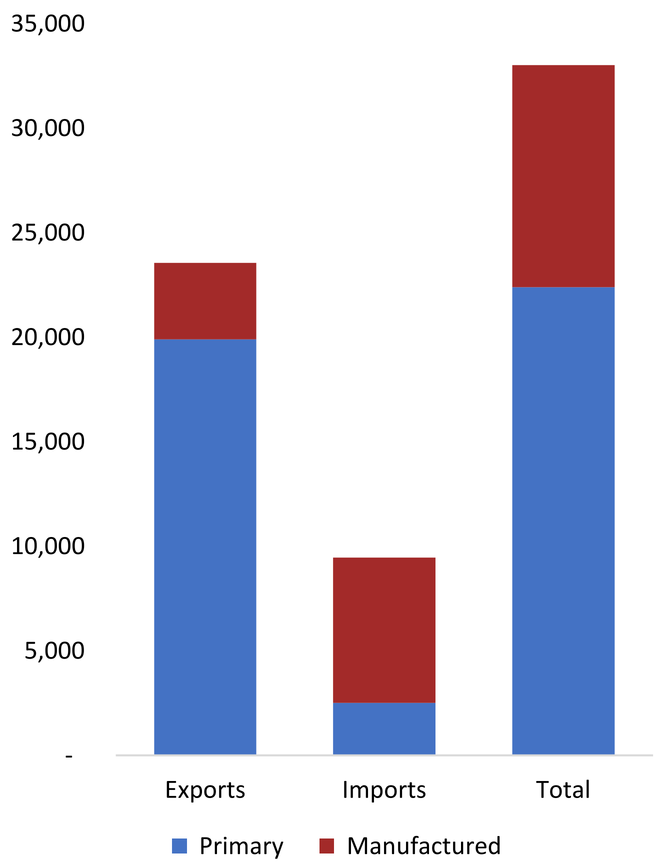
- **Katanga –** renewable energy hub (copper value addition, battery component manufacturing)
- **Katanga** – emerging breadbasket

Source: Equity Strategy

DRC Pillar 3 – major commodity exporter

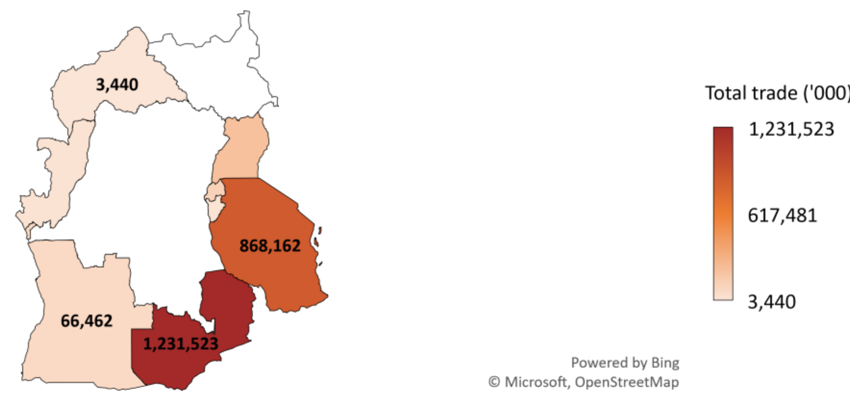
Commodity exporter

Total trade with world (USD33bn)

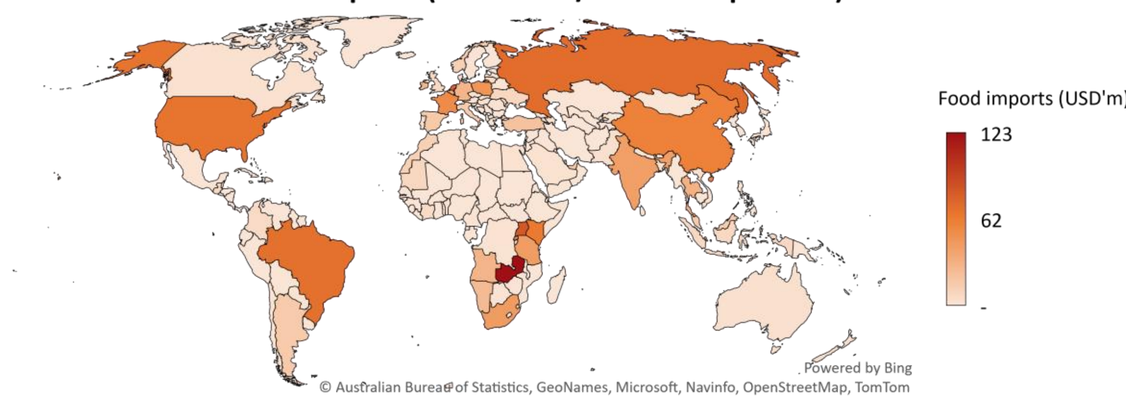


Potential to increase trade with neighbours, particularly for food items

Merchandise total trade with neighbours (USD 2.5bn)



Food imports (USD1.3bn / 13% of import bill)



Source: UNCTAD, Equity Strategy

DRC Pillar 3 – EBCDC strategic focus areas

EQUITY

PILLAR PROGRAMME: INCREASE REGIONAL AND INTERNATIONAL LINKAGES

African countries have significant potential to complement each other, and regional trade will underpin a coordinated and integrated Africa – need to increase intra-continental trade

INITIATIVES

EAC AS THE ANCHOR TO "ONE AFRICA"

- **Increased intra-EAC trade –** member linkage through trade missions
- **Regional trade policy** – collaboration through EAC / EABC

INTRACONTINENTAL TRADE

- **Increased intra-Africa trade –** member linkage through trade missions
- **Continental trade policy** – collaboration through AfCFTA

GLOBAL VALUE CHAINS

- **Connectivity to global supply chains and offtake markets** – collaboration through Commonwealth, economic blocs and bilateral collaborations

PILLAR PROGRAMME: ATTRACT FOREIGN DIRECT INVESTMENT

Wealth transformation of DRC will require significant investment, technological advances and specialised skills – need to champion foreign direct investment into African primary sectors and manufacturing.

FOREIGN DIRECT INVESTMENT

INITIATIVES

- **Changing the African narrative** – strong communication and global advocacy of African opportunities
- **Investment ambassador** – connect capital to opportunities
- **Alternative supply chains** – convert trade into FDI in African value chains and infrastructure

Source: Equity Strategy

DRC Pillar 4 – EBCDC strategic focus areas

PILLAR PROGRAMME: CAPACITY BUILDING OF PRODUCTIVE SECTOR

MSMEs and the informal sector are significant contributors to African economies – need to assist capacity building and formalization to drive productivity gains

INITIATIVES

STAKEHOLDER CAPACITY BUILDING	FIT FOR PURPOSE SKILLED LABOUR
• **Entrepreneurship capacity** – conversion of consumption economy into productive economy through entrepreneurship training and accelerate transition of entrepreneurs towards large businesses	• **Job creation** – alignment of labour supply

PILLAR PROGRAMME: ACCELERATE LINKAGE OF MSMEs TO FORMAL VALUE CHAINS

DRC MSMEs disenfranchised due to fragmented and disorganized value chains – need a holistic and ecosystem solutioning to connect MSMEs to formal value chains.

INITIATIVES

FINANCIAL INCLUSION

- **Ecosystem solutioning** – Linkage to formal value chains and value chain anchors
- **Access to credit** – more targeted and intentional credit penetration of the MSME sector

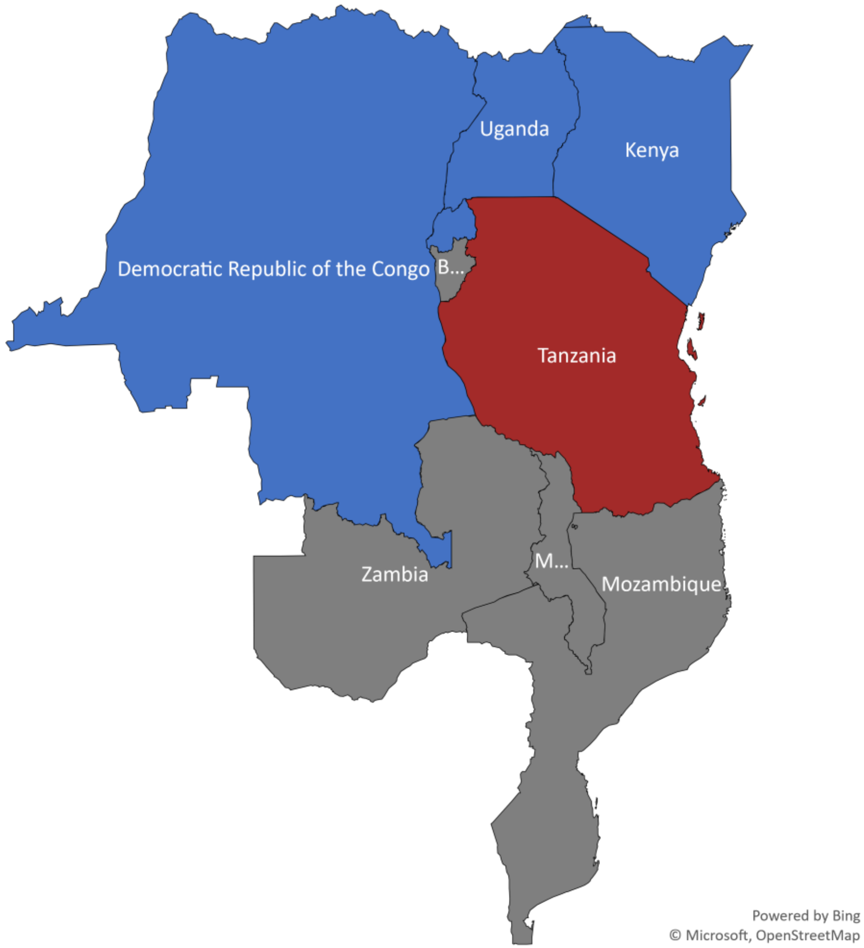
Source: Equity Strategy

Why Tanzania?

Tanzania – natural resource hub and gateway to EAC and SADC

Tanzania and neighbouring EGH operations

Tanzania geographic positioning – 8 neighbouring countries, 4 neighbouring EGH subsidiaries



AFRICA RECOVERY AND RESILIENCE PLAN – Tanzania

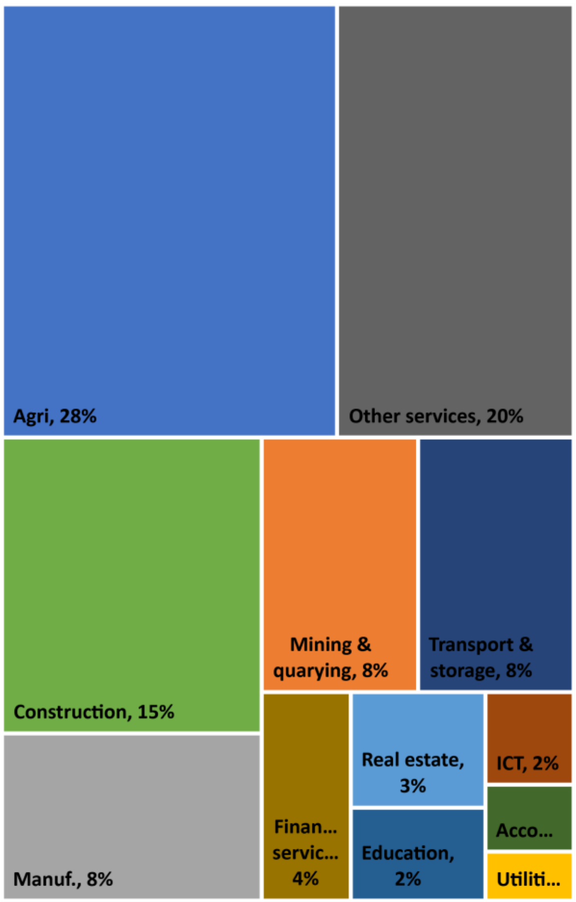
Competitive positioning

Pillar 1(a): Food & Agriculture
Pillar 1(b): Extractives
Pillar 2: Manufacturing & Logistics
Pillar 3: Trade & Investment
Pillar 4: MSMEs
Pillar 5: Social & Environmental Transformation
Pillar 6: Technology-Enabled Ecosystem

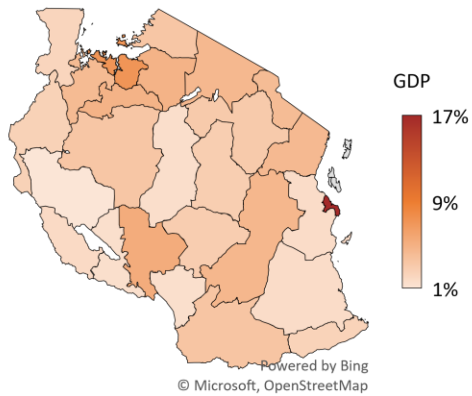
Tanzania – natural resource hub and gateway into east and southern Africa

Agricultural economy

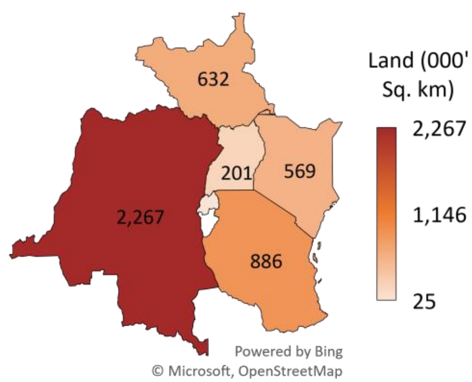
Tanzania GDP mix



Mainland GDP

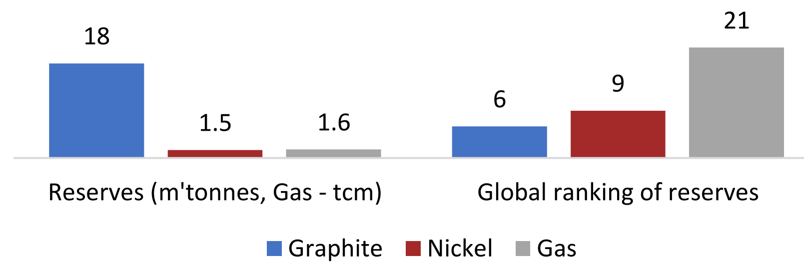


Land area



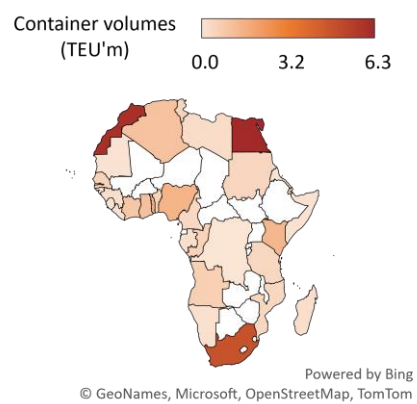
Resource base

Reserves

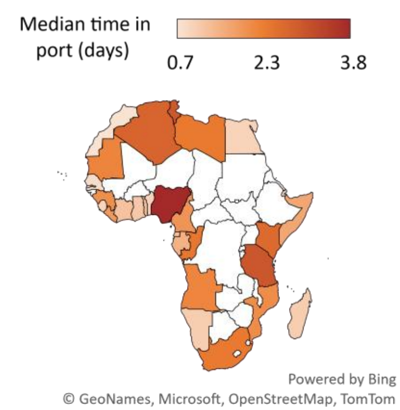


Gateway infrastructure

Port activity



Port efficiency

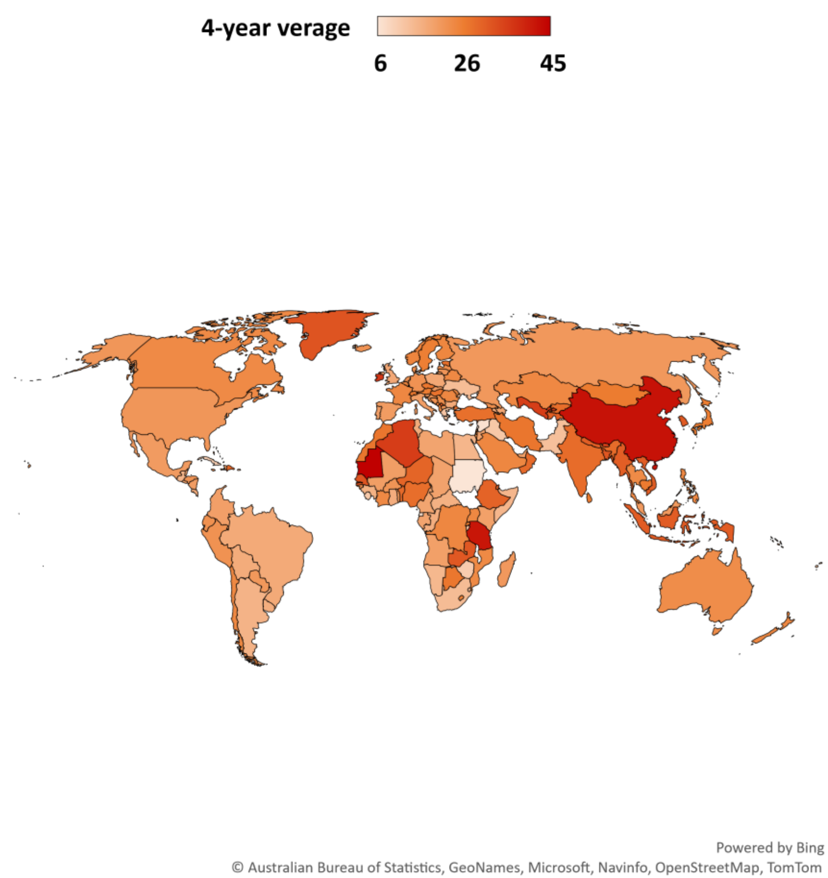


Source: TNBS, UNCTAD, World Bank, Equity Strategy

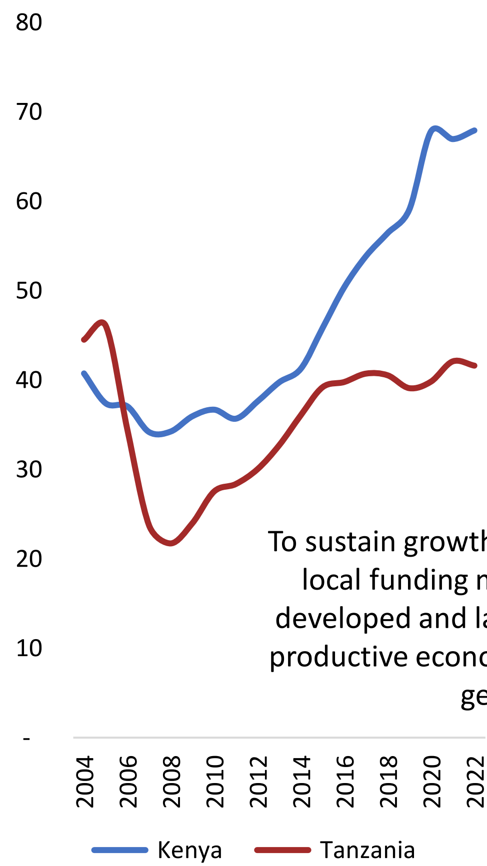
Tanzania – infrastructure / public sector led growth phase to accelerate

Tanzania fixed asset formation remains amongst the highest in the world

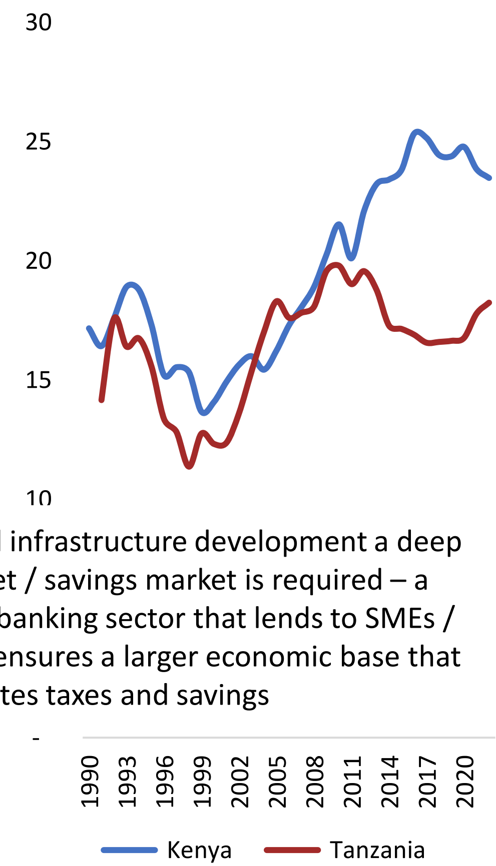
Gross fixed capital formation (% GDP)



Debt to GDP



Expenditure to GDP



To sustain growth and infrastructure development a deep local funding market / savings market is required – a developed and large banking sector that lends to SMEs / productive economy ensures a larger economic base that generates taxes and savings

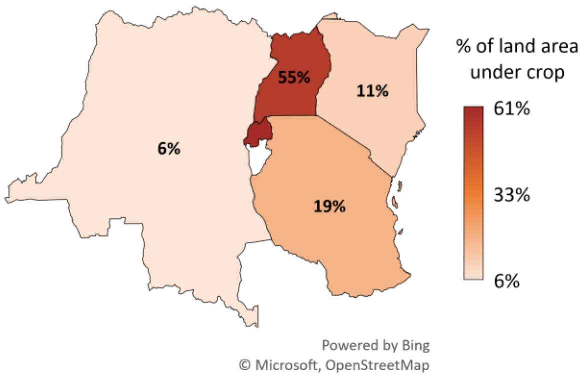
Source: Equity Strategy IMF, World Bank, KNBS

Tanzania Pillar 1 – natural endowment

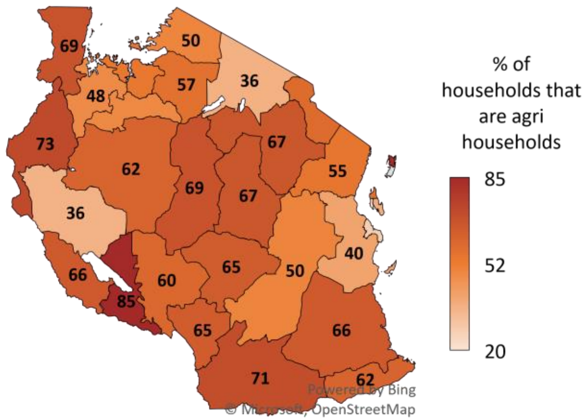
EQUITY

Agricultural activity

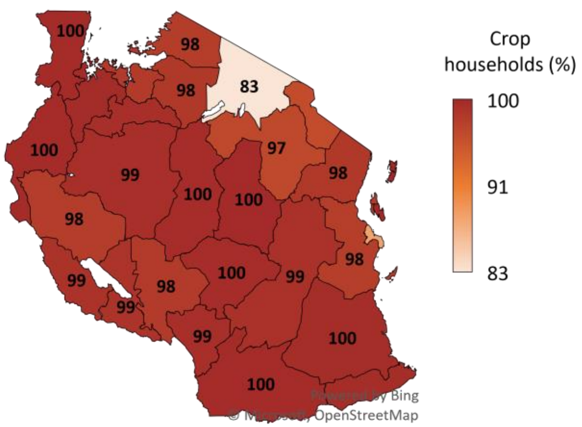
Land under crop (%)



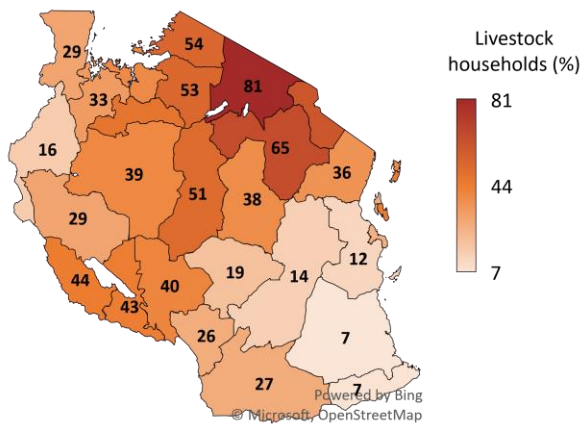
Agri households



Agri households undertaking crop farming

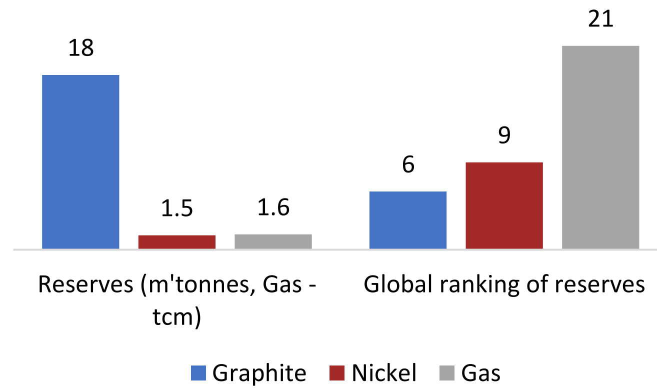


Agri households undertaking livestock farming

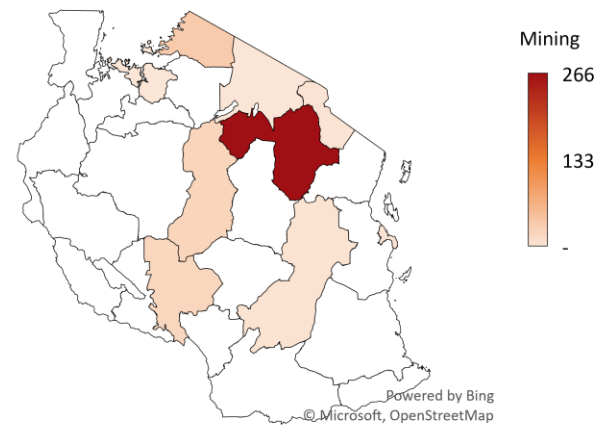


Mining and gas

Reserves



Mining activity

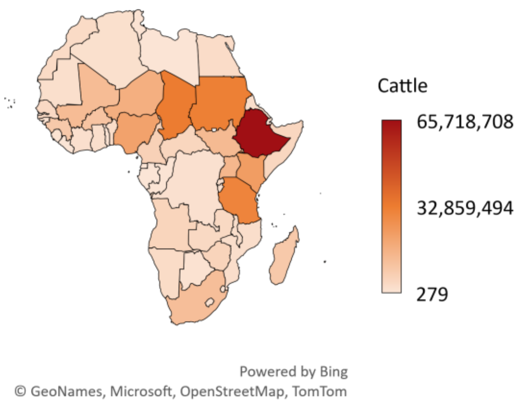


Source: Equity Strategy Office, TNBS

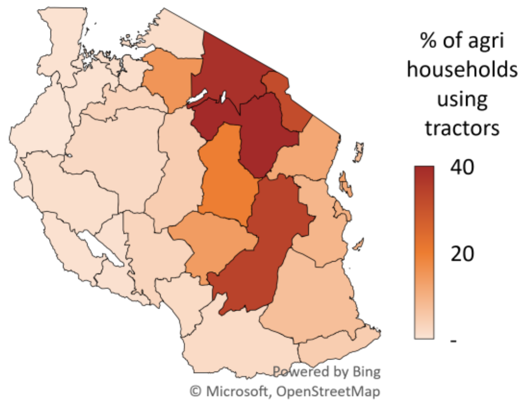
Tanzania Pillar 1 – natural endowment

Agricultural activity

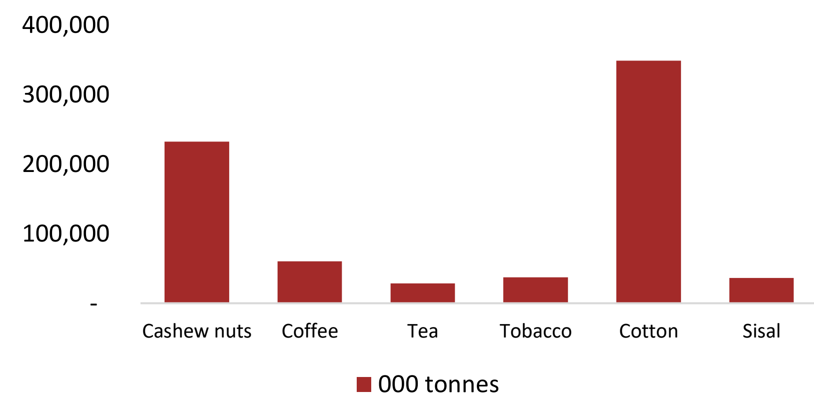
Tanzania a top 5 Africa cattle producer



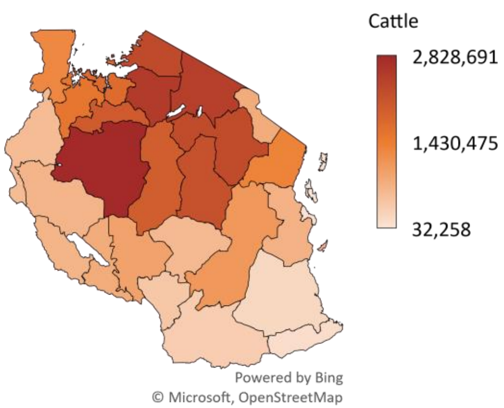
Mechanization



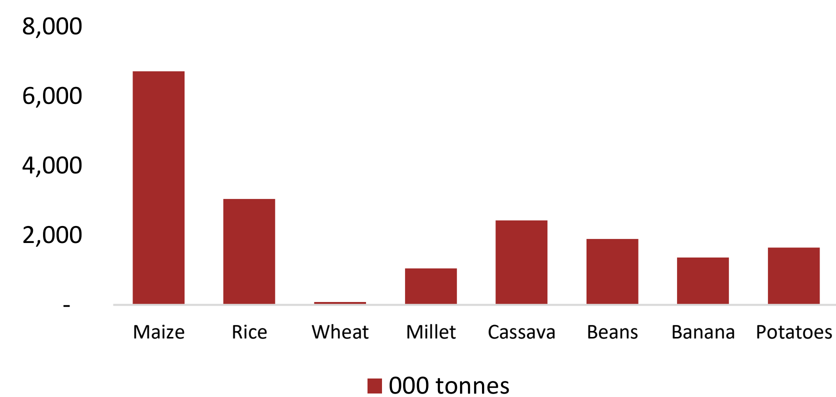
Export crops



Cattle farming



Food crops

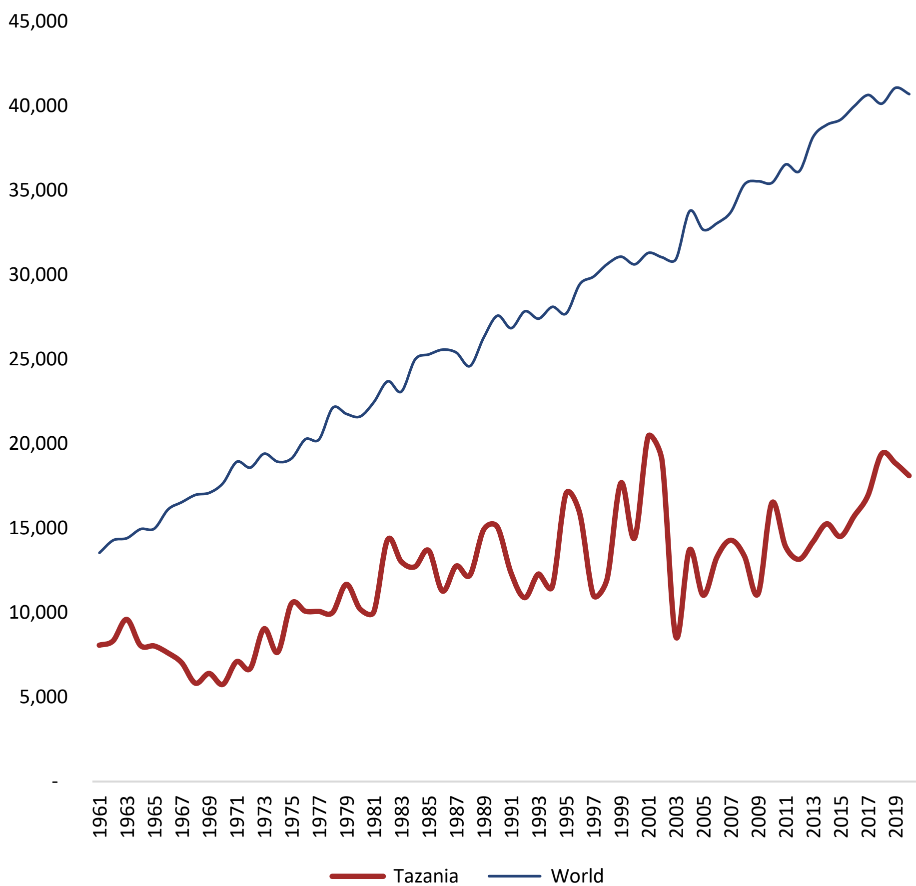


Source: Equity Strategy Office, TNBS

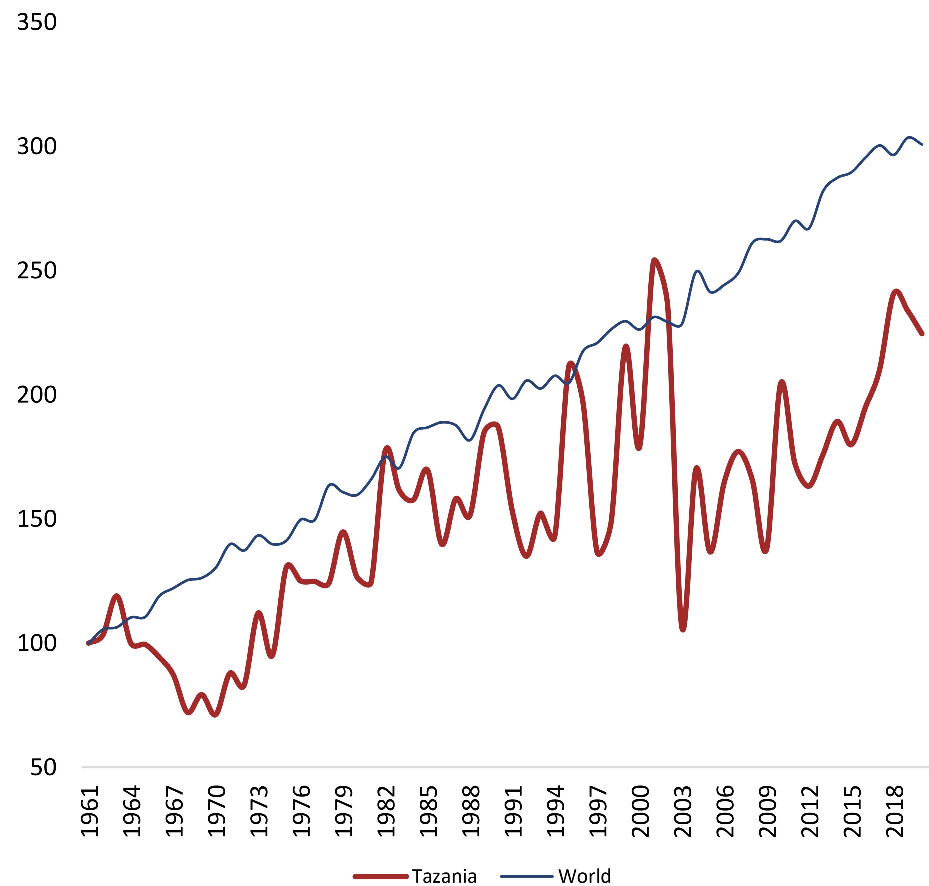
Tanzania Pillar 1 – significant potential to increase agricultural output with capacity building

Tanzania cereal yields

Cereal yields (Hg / Ha)



Cereal yield improvement (1961 = 100)



Data source: FAO

Tanzania Pillar 1 – EBT strategic focus areas

EQUITY

PILLAR PROGRAMME: SUSTAINABLY COMMERCIALIZE SMALLHOLDER PRODUCERS

Tanzania primary sectors are largely populated by smallholder producers with limited capacity – need to drive entrepreneurship and productivity gains within primary supply chains

FOOD & AGRICULTURE

CEREALS | HORTICULTURE | AQUACULTURE | FIBRE PRODUCTION | DAIRY & LIVESTOCK | MEDICINAL HERBS

INITIATIVES

- **Entrepreneurship capacity** – conversion of subsistence and smallholder farmers into sustainable agro-businesses through financial literacy and entrepreneurship training
- **Production enhancement** – drive smallholder productivity gains through adoption of enhanced farming practices

INPUT & MACHINERY

- **Input access** – input financing schemes and partnerships to drive yields to world averages
- **Mechanization** – asset finance schemes and partnerships to drive yields to world averages

EXRTACTIVES

ARTISINAL MINING

- **Entrepreneurship capacity** – conversion of artisanal miners into formal businesses through financial literacy and entrepreneurship training

PILLAR PROGRAMME: ENHANCE ECOSYSTEM

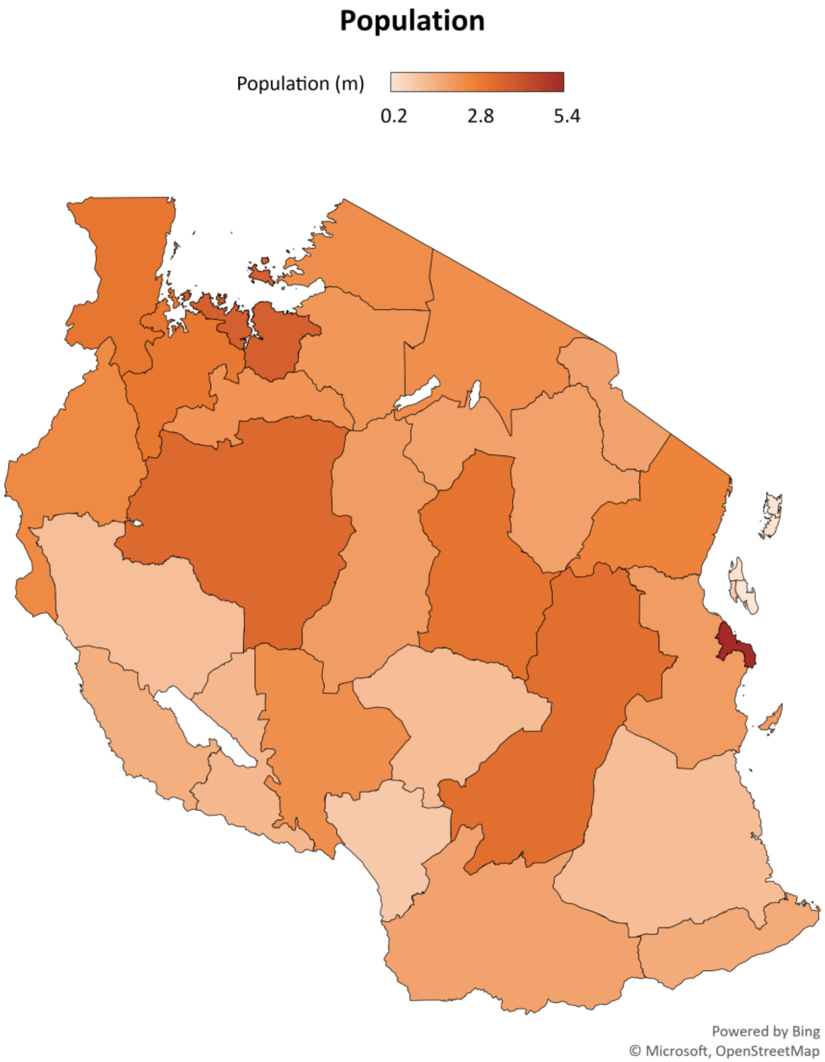
Tanzanian primary sectors are fragmented and sub-scale and challenged by market structure deficiencies – need to connect, coordinate, finance and drive a more conducive operating environment

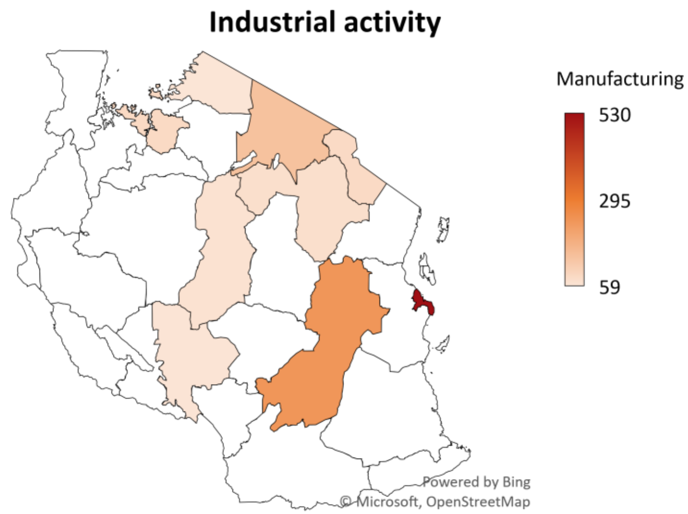
INITIATIVES

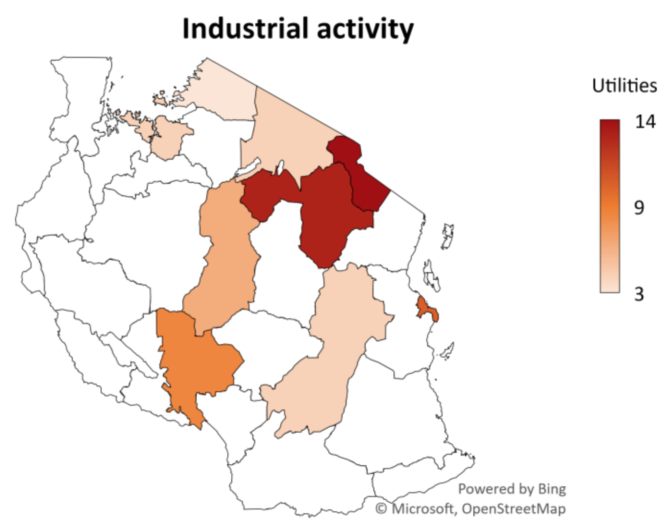
- **Value chain efficiency and optimisation** – crowd in investment into shared infrastructure, enhance pricing efficiencies and R&D. Work with policymakers for conducive environment
- **Market access** – support last mile connectivity and transparency and traceability
- **Value chain linkages** – aggregation of smallholder farmer / fragmented output and enhancement off take arrangements between stakeholders
- **Value chain coordination and access to credit** – well-structured financial services to assist coordinate flow of goods, services and value across the value chain. This will not only drive productivity gains but also help reduce financial diversion in the value chain

Source: Equity Strategy

Tanzania Pillar 2 – manufacturing and logistics







Source: TNBS, Equity Strategy

Tanzania Pillar 2 – EBT strategic focus areas

PILLAR PRGROMME: SCALE VALUE CHAIN ANCHORS & ENHANCE VALUE CHAIN LINKAGES

Value addition of Tanzania's resources will drive wealth transformation and the resultant demand complementarities will deepen and broaden African value chains – need to scale value chain anchors and enhance value chain linkages

INITIATIVES

CAPACITY UTILIZATION AND VALUE CHAIN LINKAGES

- **Distributor and supply chain linkages** – linkage of suppliers and distributors to anchors through working capital financing for the entire value chain
- **Government policy** – work with policymakers for conducive environment

CAPACITY EXPANSION

- **Access to credit** – more targeted and intentional credit penetration of the manufacturing sector

PILLAR PROGRAMME: ESTABLISH MANUFACTRUING & SERVICES HUBS

Clustering of Tanzania's manufacturing and services will drive regional economies of scale and comparative advantages – need to coordinate complimenting country capabilities with each other to catalyse an integrated and connected Africa

TANZANIA

Breadbasket and manufacturing gateway into east and southern Africa

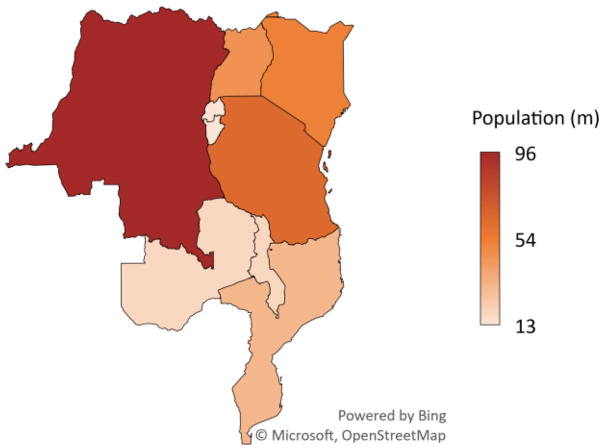
- **Dar es Salam** – diversified manufacturing hub
- **Tanga corridor –** energy corridor
- **Central corridor –** EAC corridor
- **Southern corridor –** agricultural belt and SADC corridor
- **Mtwara corridor –** SADC corridor
- **Great Lakes region** – waterway gateway

Source: Equity Strategy

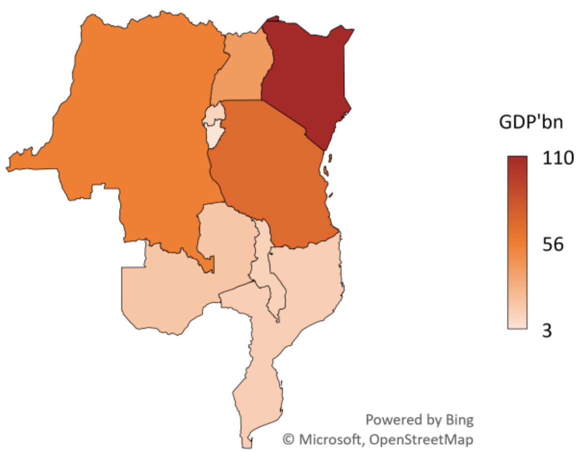
Tanzania Pillar 3: significant regional economic hub potential

Regional position

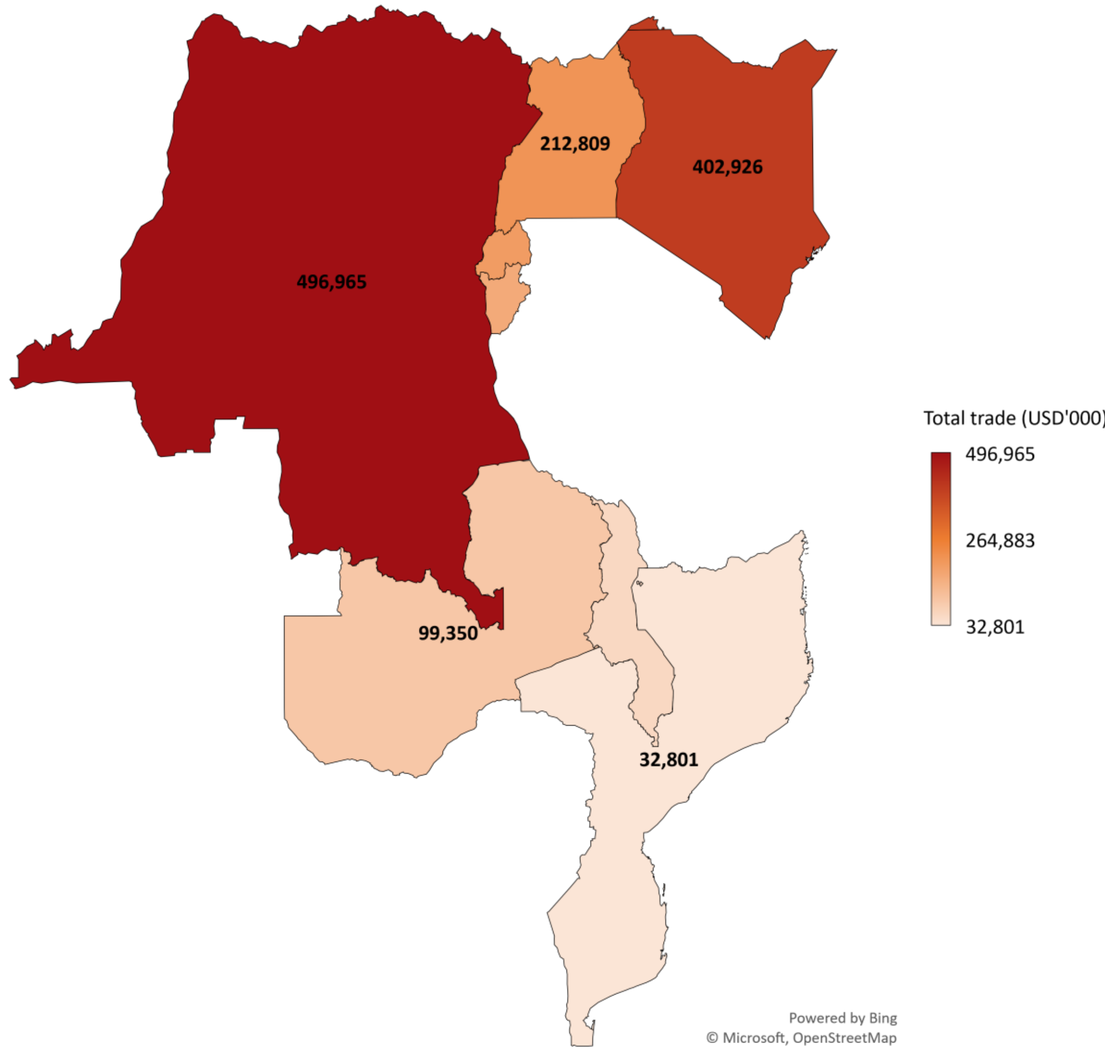
Tanzania + neighbours population (353m)



Tanzania + neighbours GDP (USD332bn)



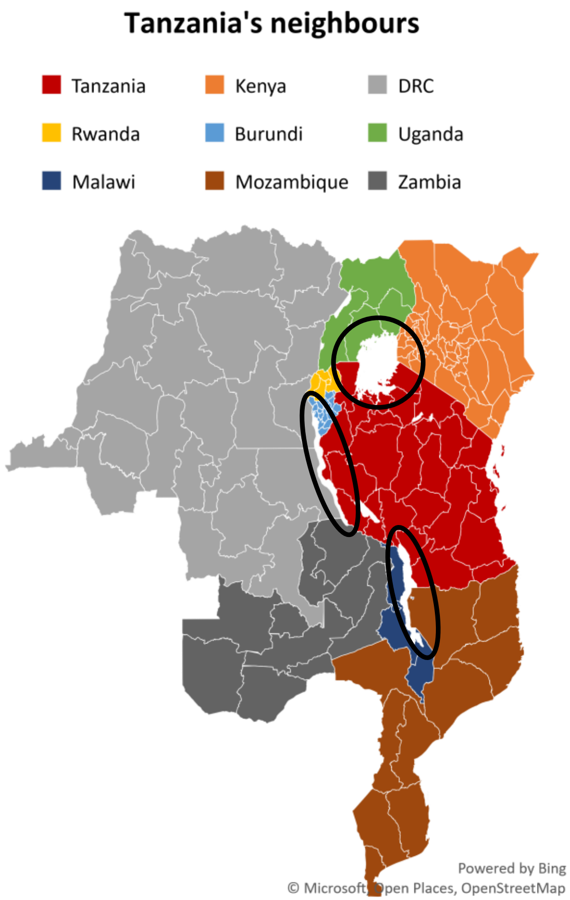
Merchandise total trade with neighbours (USD1.6bn)

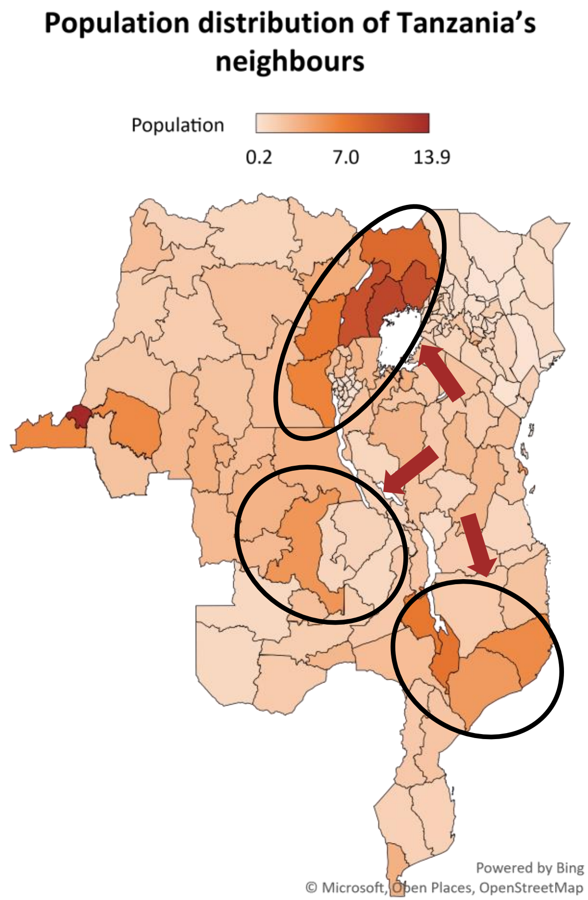


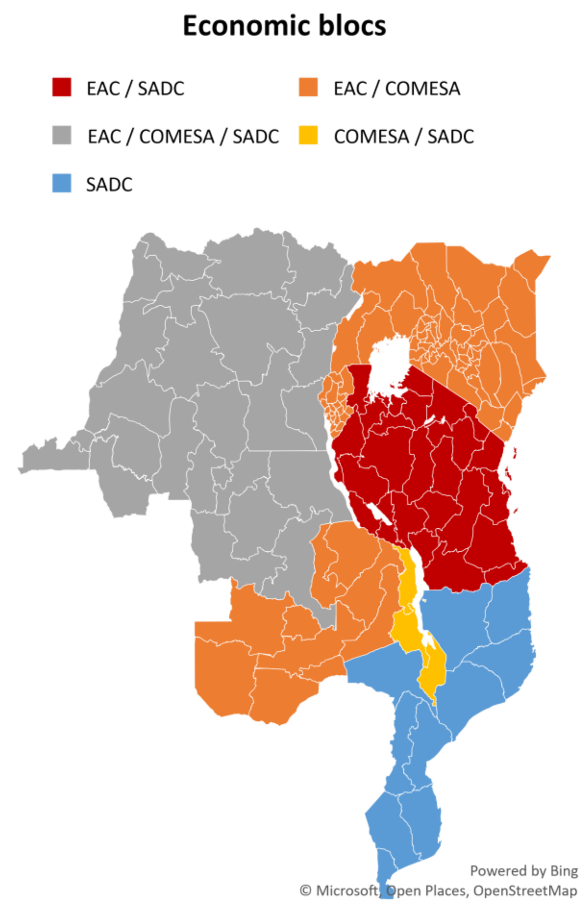
Source: UNCTAD, Equity Strategy

Tanzania Pillar 3: significant potential to become the gateway to EAC and SADC

Tanzania is the only country that has access to all 3 African Great Lakes (7,400 cubic meters of water / 25% of the worlds unfrozen surface water). This region has one of the highest population densities. At the same time Tanzania is a member of EAC and SADC with sea access and increasingly infrastructure connectivity with landlocked central Africa







Source: Equity Strategy, Country bureau of statistics, Central Banks, World Bank

Tanzania Pillar 3 – EBT strategic focus areas

PILLAR PROGRAMME: INCREASE REGIONAL AND INTERNATIONAL LINKAGES

African countries have significant potential to complement each other, and regional trade will underpin a coordinated and integrated Africa – need to increase intra-continental trade

INITIATIVES

EAC AS THE ANCHOR TO "ONE AFRICA"	INTRACONTINENTAL TRADE	GLOBAL VALUE CHAINS
• **Increased intra-EAC trade –** member linkage through trade missions • **Regional trade policy** – collaboration through EAC / EABC	• **Increased intra-Africa trade –** member linkage through trade missions • **Continental trade policy** – collaboration through AfCFTA	• **Connectivity to global supply chains and offtake markets** – collaboration through Commonwealth, economic blocs and bilateral collaborations

PILLAR PROGRAMME: ATTRACT FOREIGN DIRECT INVESTMENT

Wealth transformation of Tanzania will require significant investment, technological advances and specialised skills – need to champion foreign direct investment into African primary sectors and manufacturing.

FOREIGN DIRECT INVESTMENT

INITIATIVES

- **Changing the African narrative** – strong communication and global advocacy of African opportunities
- **Investment ambassador** – connect capital to opportunities
- **Alternative supply chains** – convert trade into FDI in African value chains and infrastructure

Source: Equity Strategy

Tanzania Pillar 4 – EBT strategic focus areas

PILLAR PROGRAMME: CAPACITY BUILDING OF PRODUCTIVE SECTOR

MSMEs and the informal sector are significant contributors to African economies – need to assist capacity building and formalization to drive productivity gains

	STAKEHOLDER CAPACITY BUILDING	FIT FOR PURPOSE SKILLED LABOUR
INITIATIVES	• **Entrepreneurship capacity** – conversion of consumption economy into productive economy through entrepreneurship training and accelerate transition of entrepreneurs towards large businesses	• **Job creation** – alignment of labour supply

PILLAR PROGRAMME: ACCELERATE LINKAGE OF MSMEs TO FORMAL VALUE CHAINS

Tanzanian MSMEs disenfranchised due to fragmented and disorganized value chains – need a holistic and ecosystem solutioning to connect MSMEs to formal value chains.

	FINANCIAL INCLUSION
INITIATIVES	• **Ecosystem solutioning** – Linkage to formal value chains and value chain anchors • **Access to credit** – more targeted and intentional credit penetration of the MSME sector

Source: Equity Strategy

Equity Group competitive positioning – economic transformation can be accelerated through more fit-for-purpose and intentional banking industry

EQUITY

Opportunity size

Tanzania banking industry capacity currently low

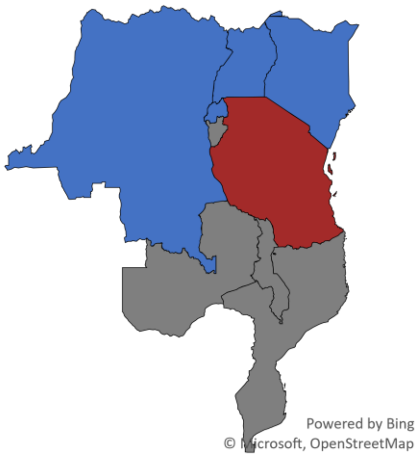
	GDP (USD'bn)	Population (m)	Banking capital (USD'bn)	Bank capital to GDP (%)	GDP per capita (USD)	Depth of credit information
Ethiopia	111	120	4.0	3.4	925	-
Rwanda	11	14	0.7	5.5	822	8
Uganda	41	46	2.0	4.0	884	7
Tanzania	76	64	2.8	3.7	1,099	8
DRC	55	96	1.3	2.3	577	-
Kenya	110	51	7.5	6.9	2,082	8

Source: Central banks, bank financial statements, Equity Group, IMF

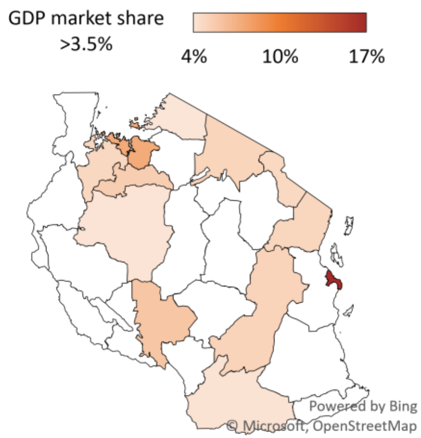
Equity Group competitive positioning – sector dominated by 3 Tanzania focused banks who in turn are focused on consumer and corporate

Regional potential requires regional banking capability

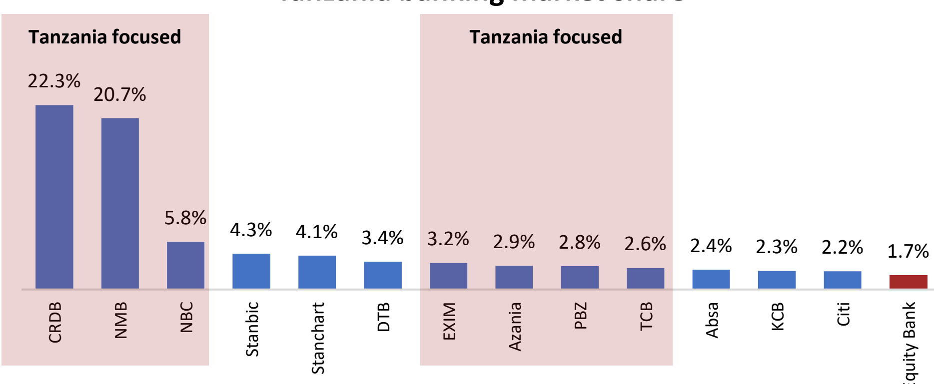
Tanzania geographic positioning



69% of mainland GDP

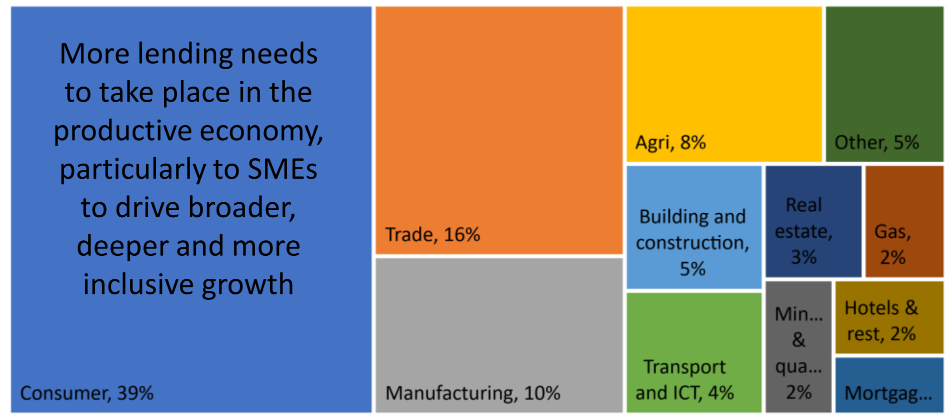


Tanzania banking market share

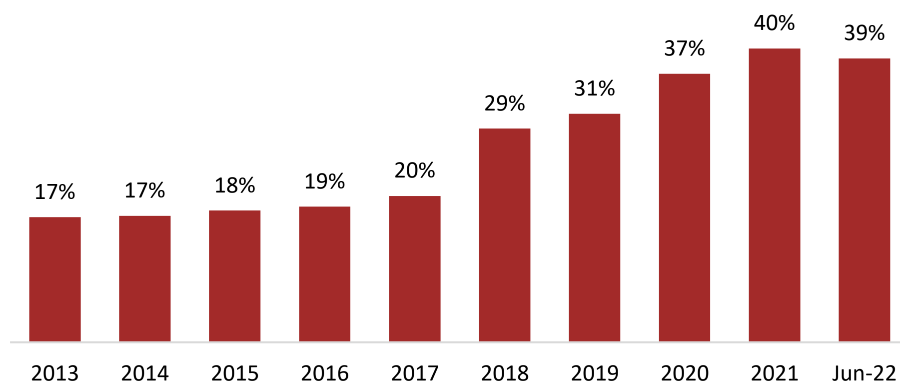


Banking industry credit exposure biased towards consumption lending

Banking sector loan mix



Consumer lending mix



Source: KNBS

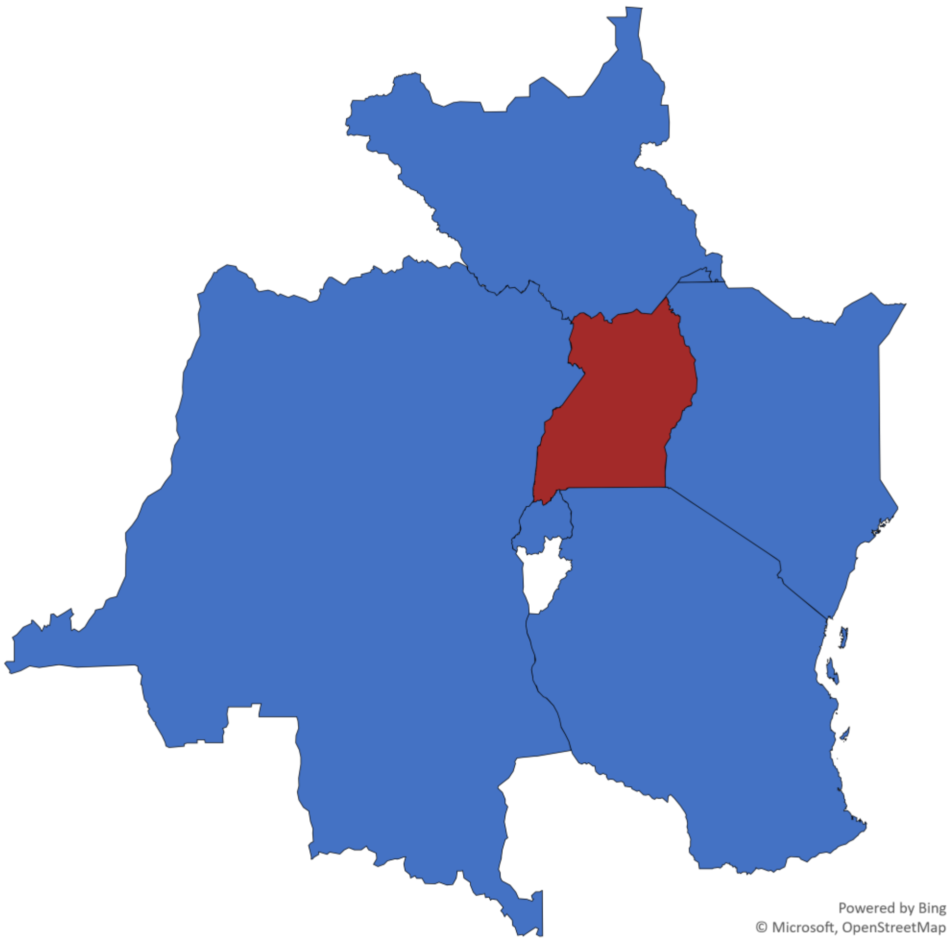
Why Uganda?

Uganda – breadbasket and agro-processor for central Africa

Uganda and neighbouring EGH operations

EQUITY

Uganda geographic positioning – 5 neighbouring countries, 5 neighbouring EGH subsidiaries



AFRICA RECOVERY AND RESILIENCE PLAN – Uganda

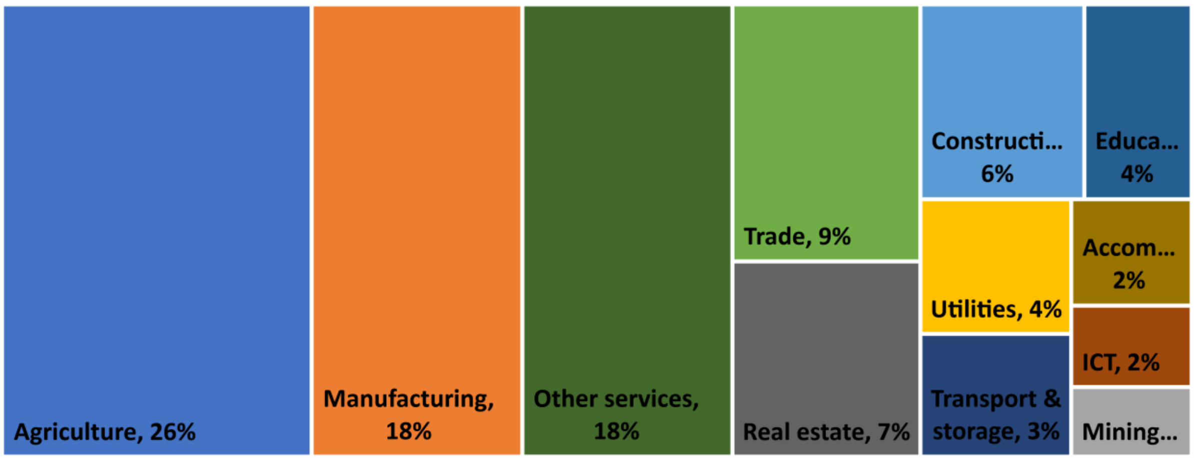
Competitive positioning

Pillar 1(a): Food & Agriculture
Pillar 1(b): Extractives
Pillar 2: Manufacturing & Logistics
Pillar 3: Trade & Investment
Pillar 4: MSMEs
Pillar 5: Social & Environmental Transformation
Pillar 6: Technology-Enabled Ecosystem

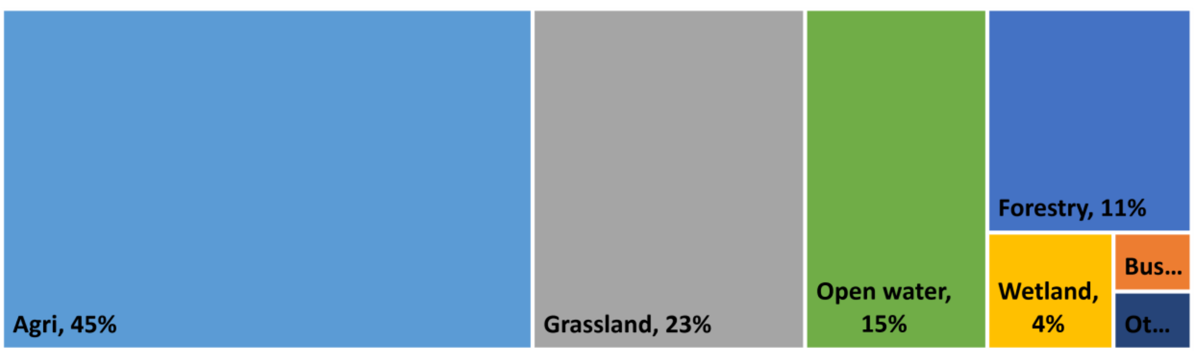
Uganda – breadbasket and agro-processor for central Africa

Agricultural economy

Uganda GDP mix

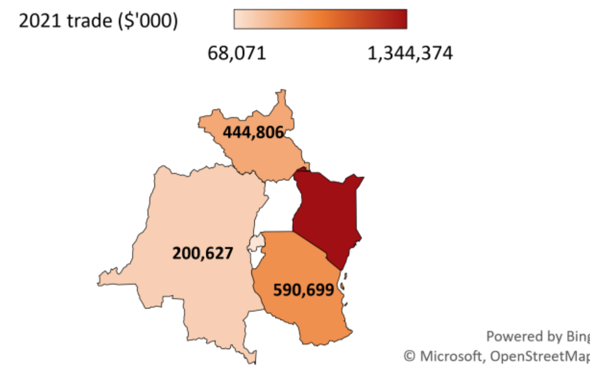


Land cover mix

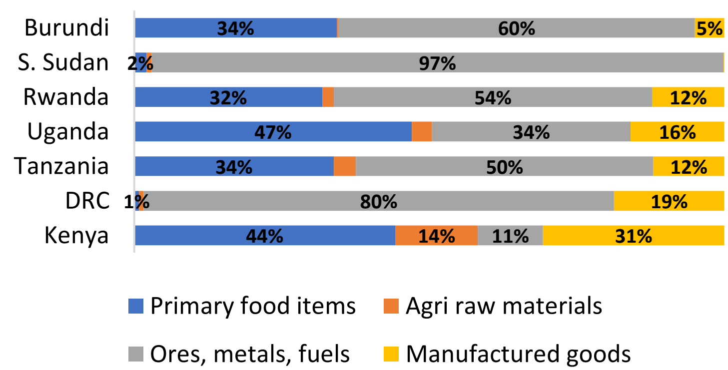


Uganda trade

Merchandise trade with neighbours ($2.6bn)



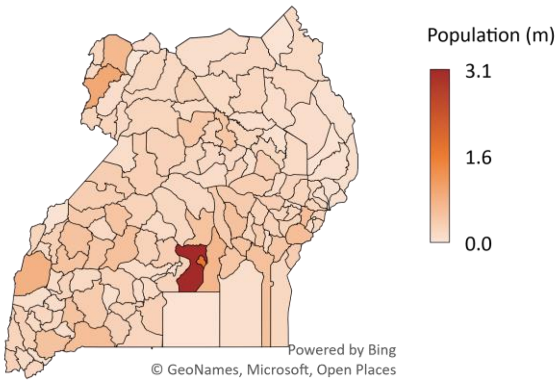
Uganda exports concentrated in primary exports



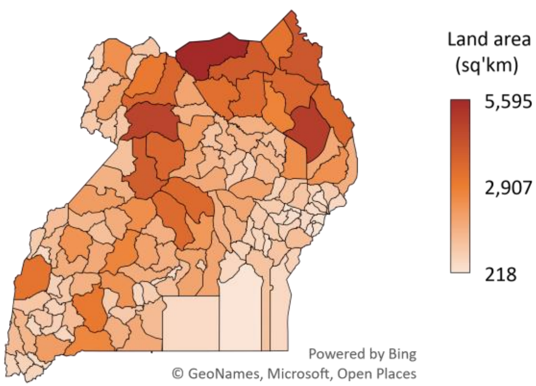
Uganda Pillar 1 – agriculture

Population and land area

Population

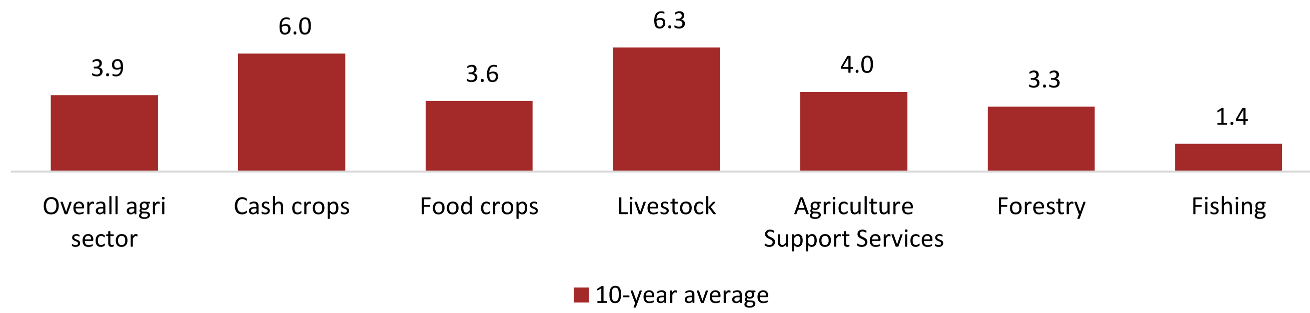


Land area

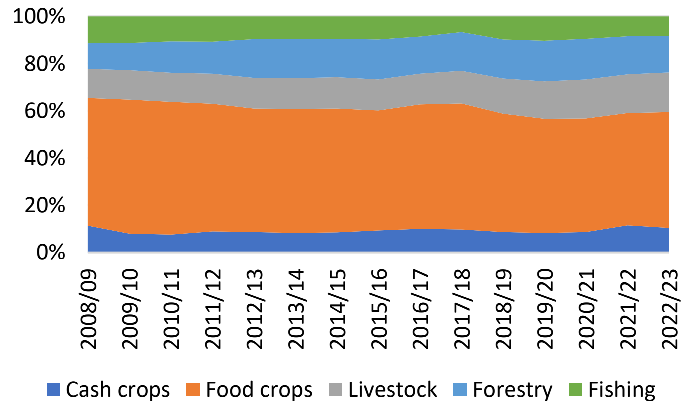


Agricultural activity

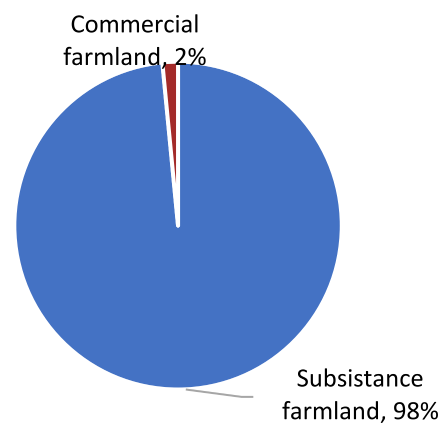
Agricultural growth rates (%)



Agricultural GDP mix



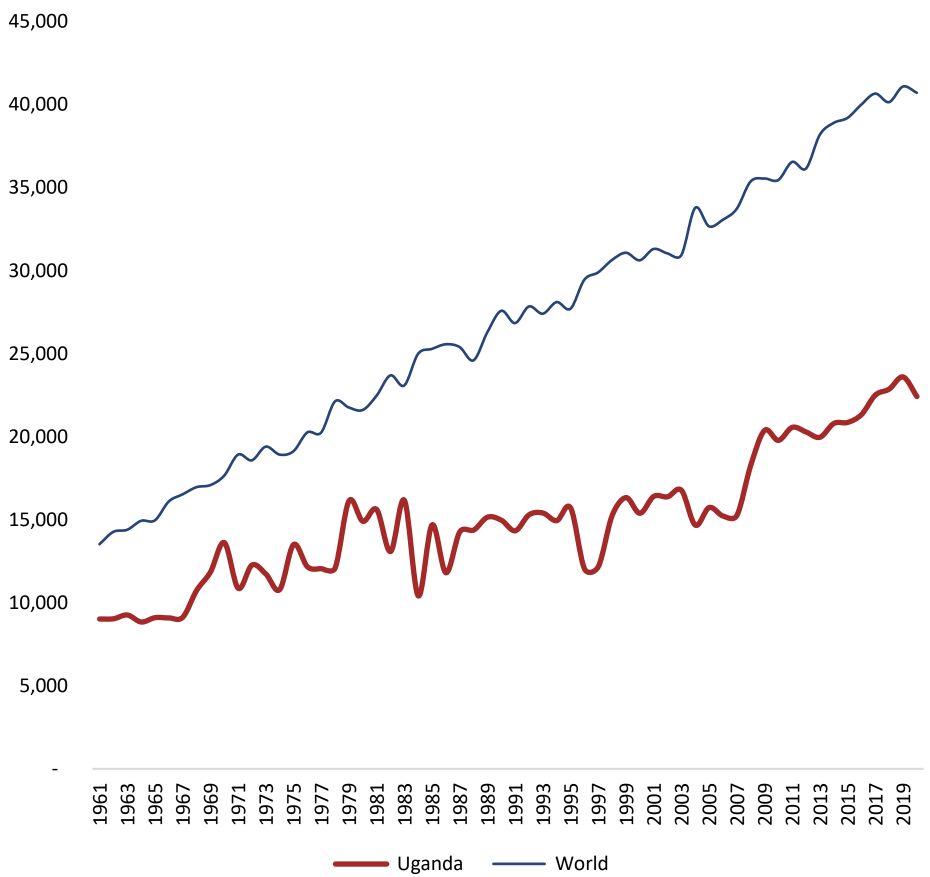
Agricultural land



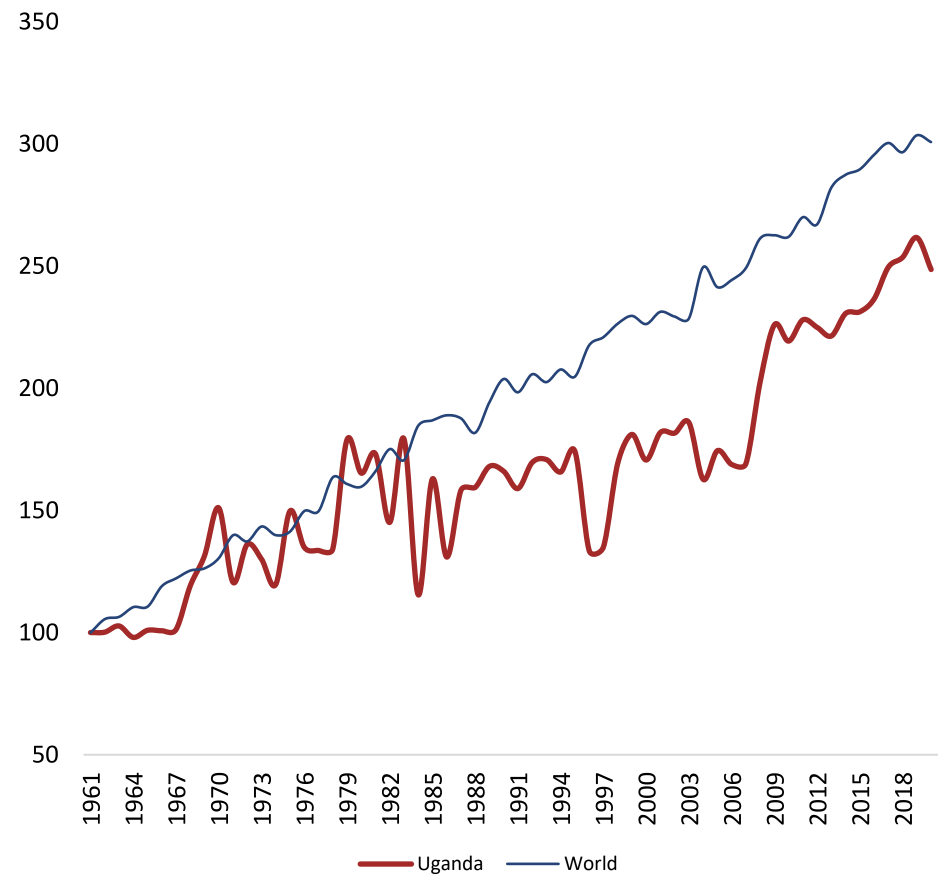
Uganda Pillar 1 – significant potential to increase agricultural output with capacity building

Uganda cereal yields

Cereal yields (Hg / Ha)



Cereal yield improvement (1961 = 100)



Data source: FAO

Uganda Pillar 1 – EBUL strategic focus areas

EQUITY

PILLAR PROGRAMME: SUSTAINABLY COMMERCIALIZE SMALLHOLDER PRODUCERS

Ugandan primary sectors are largely populated by smallholder producers with limited capacity – need to drive entrepreneurship and productivity gains within primary supply chains

FOOD & AGRICULTURE

CEREALS | HORTICULTURE | AQUACULTURE

FIBRE PRODUCTION | DAIRY & LIVESTOCK | MEDICINAL HERBS

INITIATIVES

- **Entrepreneurship capacity** – conversion of subsistence and smallholder farmers into sustainable agro-businesses through financial literacy and entrepreneurship training
- **Production enhancement** – drive smallholder productivity gains through adoption of enhanced farming practices

INPUT & MACHINERY

- **Input access** – input financing schemes and partnerships to drive yields to world averages
- **Mechanization** – asset finance schemes and partnerships to drive yields to world averages

EXRTACTIVES

ARTISINAL MINING

- **Entrepreneurship capacity** – conversion of artisanal miners into formal businesses through financial literacy and entrepreneurship training

PILLAR PROGRAMME: ENHANCE ECOSYSTEM

Ugandan primary sectors are fragmented and sub-scale and challenged by market structure deficiencies – need to connect, coordinate, finance and drive a more conducive operating environment

INITIATIVES

- **Value chain efficiency and optimisation** – crowd in investment into shared infrastructure, enhance pricing efficiencies and R&D. Work with policymakers for conducive environment
- **Market access** – support last mile connectivity and transparency and traceability
- **Value chain linkages** – aggregation of smallholder farmer / fragmented output and enhancement off take arrangements between stakeholders
- **Value chain coordination and access to credit** – well-structured financial services to assist coordinate flow of goods, services and value across the value chain. This will not only drive productivity gains but also help reduce financial diversion in the value chain

Source: Equity Strategy

Uganda Pillar 2 – EBUL strategic focus areas

EQUITY

PILLAR PRGROMME: SCALE VALUE CHAIN ANCHORS & ENHANCE VALUE CHAIN LINKAGES

Value addition of Uganda's resources will drive wealth transformation and the resultant demand complementarities will deepen and broaden African value chains – need to scale value chain anchors and enhance value chain linkages

INITIATIVES

CAPACITY UTILIZATION AND VALUE CHAIN LINKAGES

- **Distributor and supply chain linkages** – linkage of suppliers and distributors to anchors through working capital financing for the entire value chain
- **Government policy** – work with policymakers for conducive environment

CAPACITY EXPANSION

- **Access to credit** – more targeted and intentional credit penetration of the manufacturing sector

PILLAR PROGRAMME: ESTABLISH MANUFACTRUING & SERVICES HUBS

Clustering of Uganda's manufacturing and services will drive regional economies of scale and comparative advantages – need to coordinate complimenting country capabilities with each other to catalyse an integrated and connected Africa

INITIATIVES

UGANDA
Breadbasket and agro processor for central Africa

- **Oil ecosystem** – catalyse development of other sectors
- **Kampala –** Agro-processing

Source: Equity Strategy

Uganda Pillar 3 – EBUL strategic focus areas

PILLAR PROGRAMME: INCREASE REGIONAL AND INTERNATIONAL LINKAGES

African countries have significant potential to complement each other, and regional trade will underpin a coordinated and integrated Africa – need to increase intra-continental trade

INITIATIVES

EAC AS THE ANCHOR TO "ONE AFRICA"

- **Increased intra-EAC trade –** member linkage through trade missions
- **Regional trade policy** – collaboration through EAC / EABC

INTRACONTINENTAL TRADE

- **Increased intra-Africa trade –** member linkage through trade missions
- **Continental trade policy** – collaboration through AfCFTA

GLOBAL VALUE CHAINS

- **Connectivity to global supply chains and offtake markets** – collaboration through Commonwealth, economic blocs and bilateral collaborations

PILLAR PROGRAMME: ATTRACT FOREIGN DIRECT INVESTMENT

Wealth transformation of Uganda will require significant investment, technological advances and specialised skills – need to champion foreign direct investment into African primary sectors and manufacturing.

FOREIGN DIRECT INVESTMENT

INITIATIVES

- **Changing the African narrative** – strong communication and global advocacy of African opportunities
- **Investment ambassador** – connect capital to opportunities
- **Alternative supply chains** – convert trade into FDI in African value chains and infrastructure

Source: Equity Strategy

Uganda Pillar 4 – EBUL strategic focus areas

EQUITY

PILLAR PROGRAMME: CAPACITY BUILDING OF PRODUCTIVE SECTOR

MSMEs and the informal sector are significant contributors to African economies – need to assist capacity building and formalization to drive productivity gains

INITIATIVES	STAKEHOLDER CAPACITY BUILDING	FIT FOR PURPOSE SKILLED LABOUR
	• **Entrepreneurship capacity** – conversion of consumption economy into productive economy through entrepreneurship training and accelerate transition of entrepreneurs towards large businesses	• **Job creation** – alignment of labour supply

PILLAR PROGRAMME: ACCELERATE LINKAGE OF MSMEs TO FORMAL VALUE CHAINS

Uganda MSMEs disenfranchised due to fragmented and disorganized value chains – need a holistic and ecosystem solutioning to connect MSMEs to formal value chains.

INITIATIVES	FINANCIAL INCLUSION
	• **Ecosystem solutioning** – Linkage to formal value chains and value chain anchors • **Access to credit** – more targeted and intentional credit penetration of the MSME sector

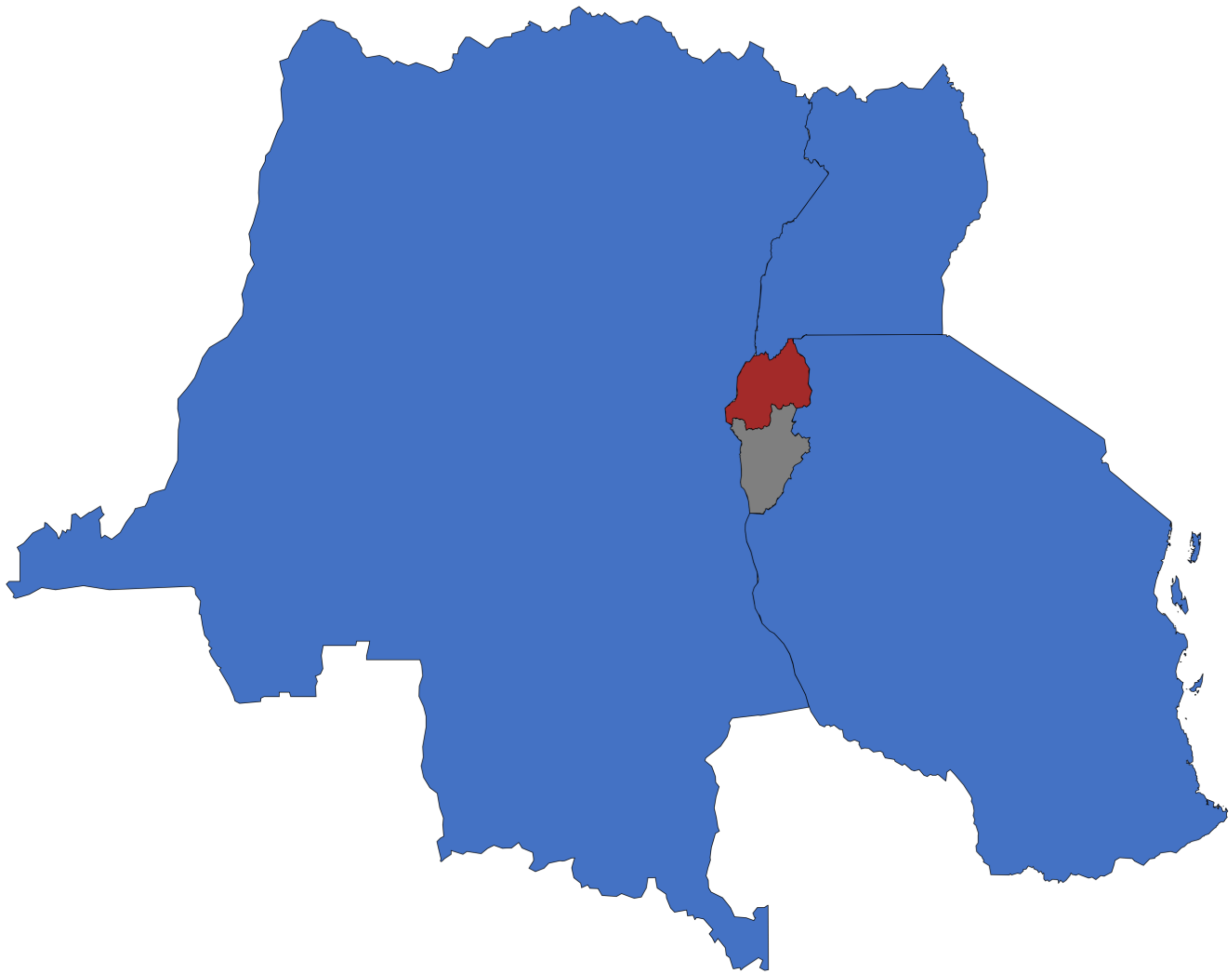
Source: Equity Strategy

Why Rwanda?

Rwanda – central Africa economic hub

Rwanda and neighbouring EGH operations

Rwanda geographic positioning – 4 neighbouring countries, 3 neighbouring Equity Group subsidiaries

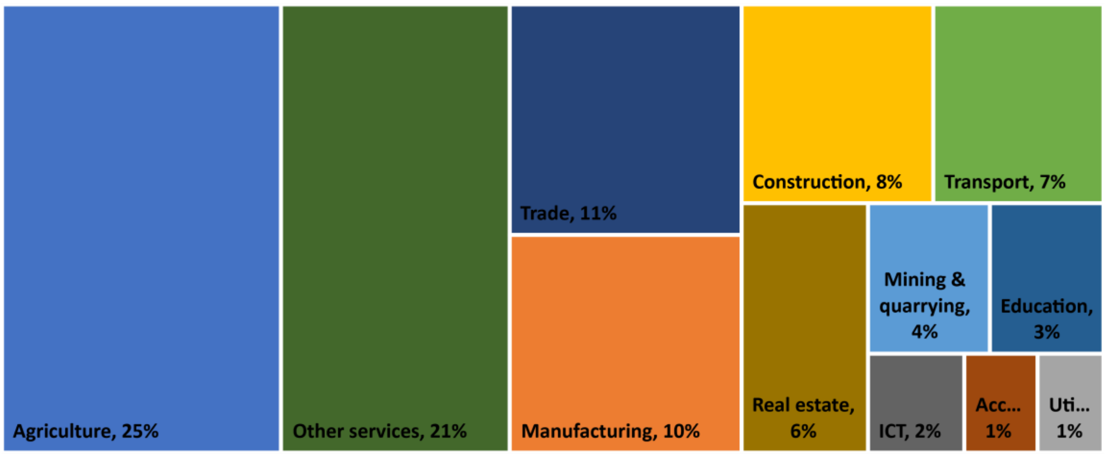


Powered by Bing
© Microsoft, OpenStreetMap

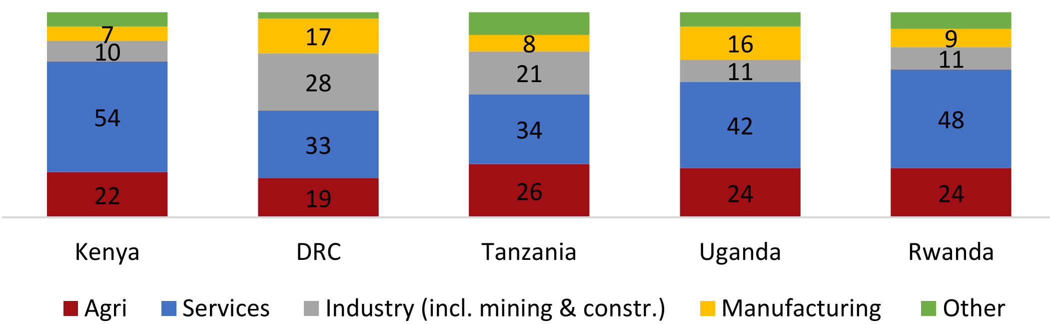
Rwanda economic structure – central Africa economic hub underpinned by agriculture and services

Agricultural and services economy with growing manufacturing capabilities

Rwanda GDP mix biased towards agriculture and services

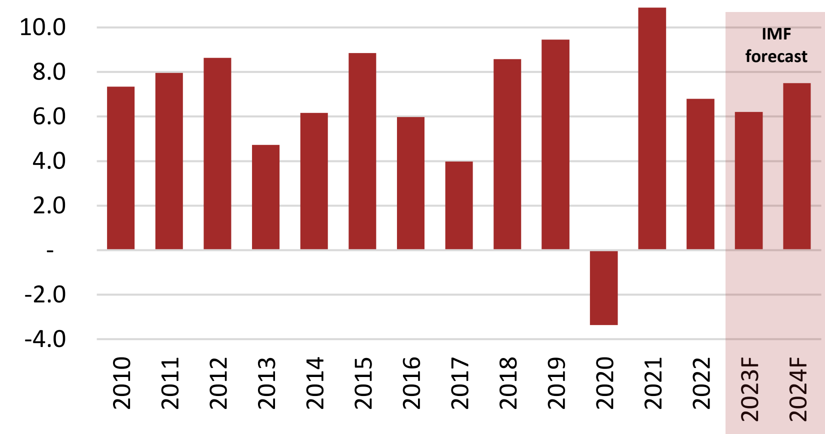


Regional GDP mix



Rwanda amongst the top 10 fastest growing countries in the world*

Rwanda GDP growth



Drivers of growth

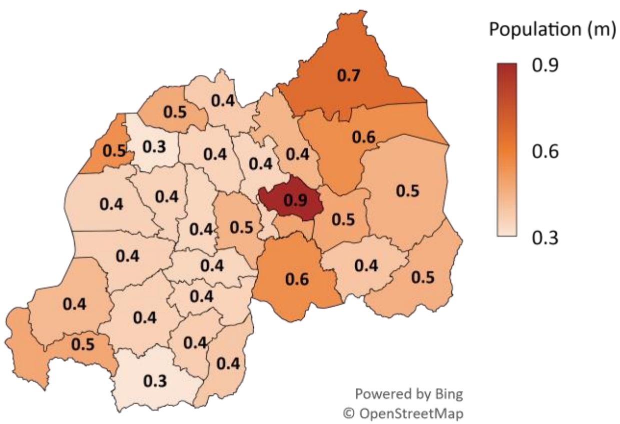
Targeted Foreign Direct Investment	Tourism & MICE**
Exports	Manufacturing

Source: Rwanda Bureau of Statistics. *5-year average GDP growth. MICE = Meetings, Incentives, Conventions, Events/ Exhibitions

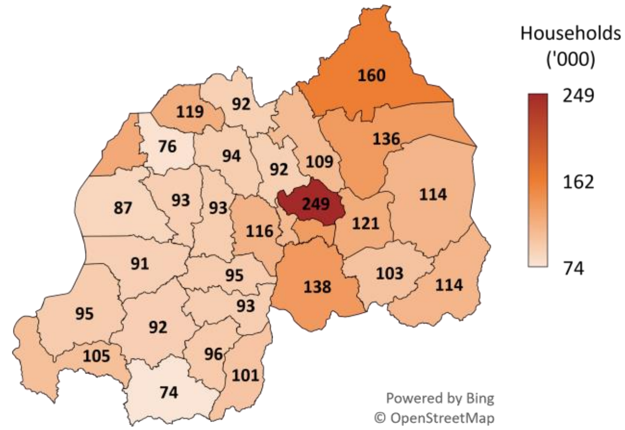
Rwanda snapshot – population largely spread across the country given high rural and agricultural households

Population and household concentrations

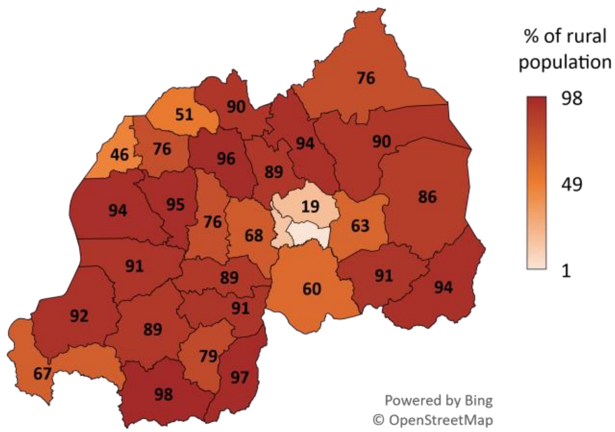
Population – districts



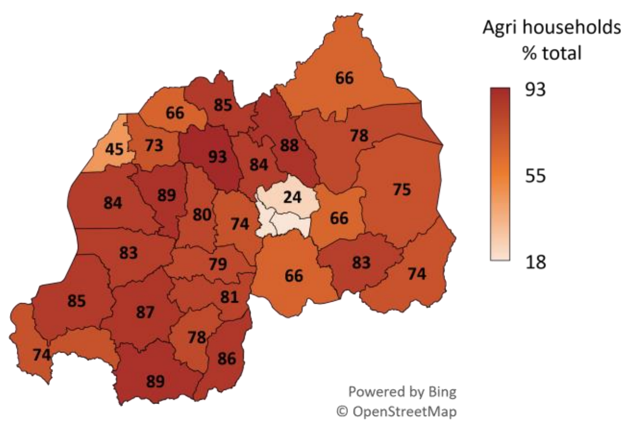
Households



Rural population - 72%

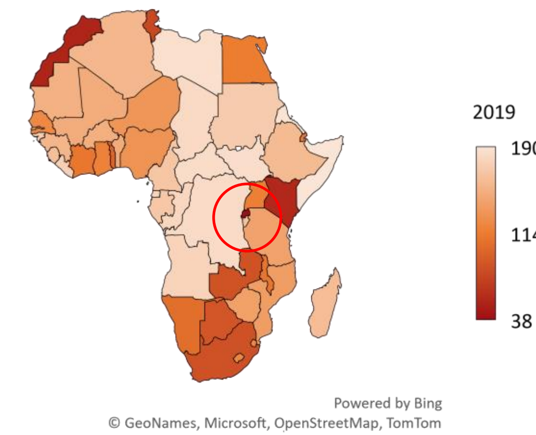


Agri households

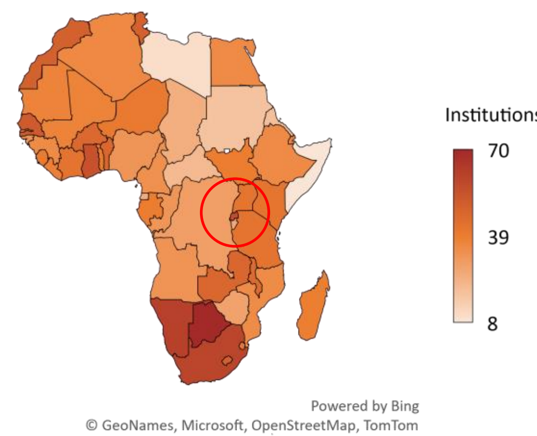


Conducive operating environment

Ease of doing business



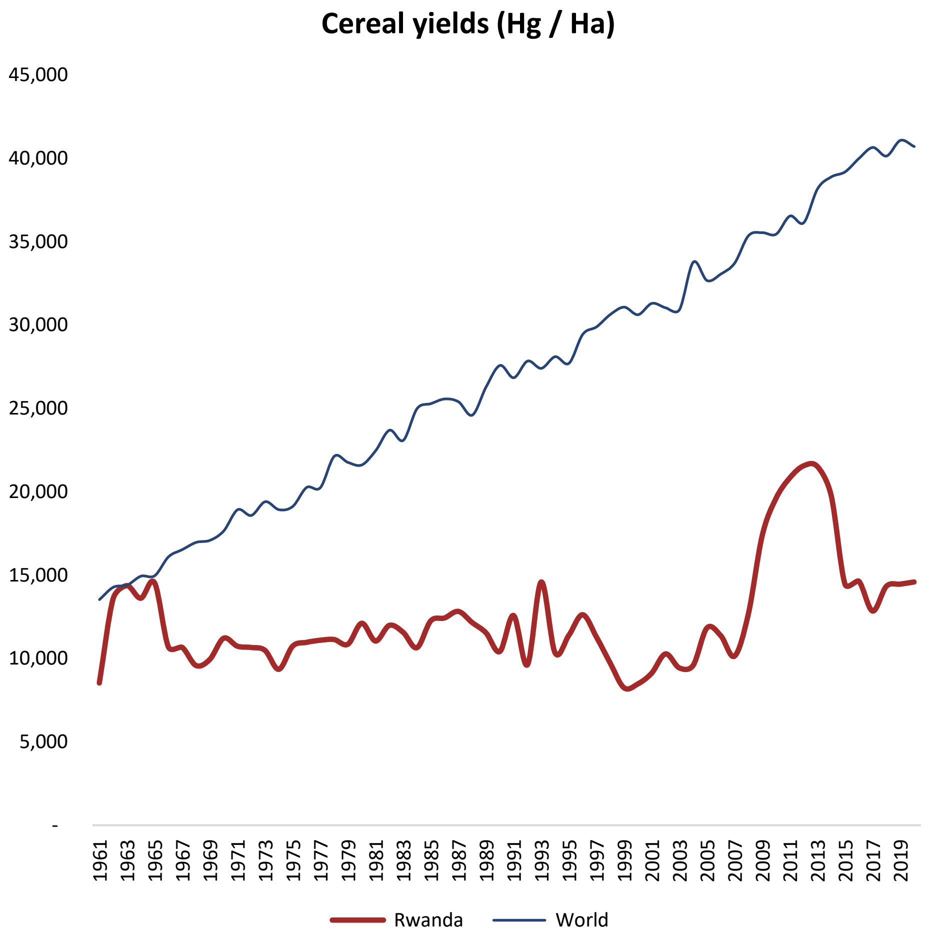
Productive capacities - institutions

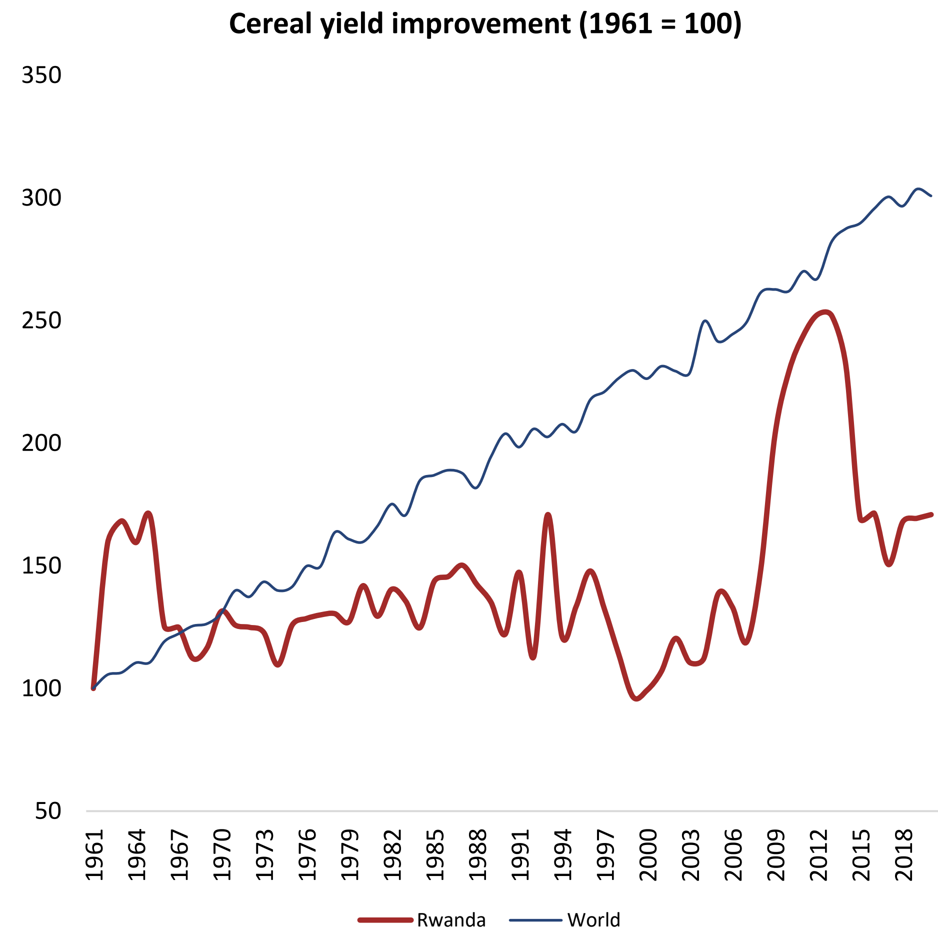


Source: Rwanda Bureau of Statistics

Rwanda Pillar 1 – significant potential to increase agricultural output with capacity building

Rwanda cereal yields



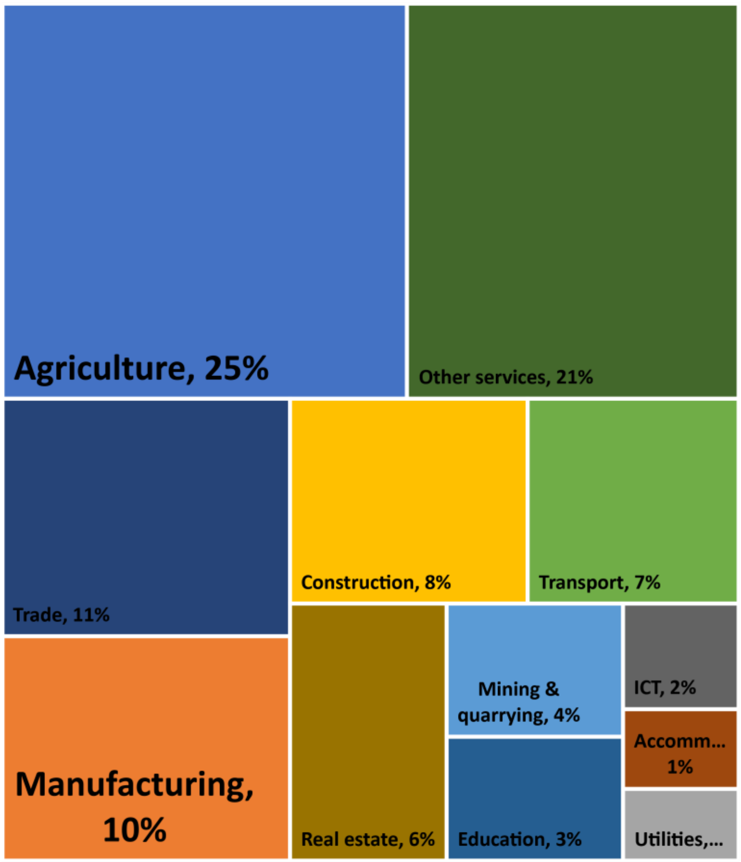


Data source: FAO

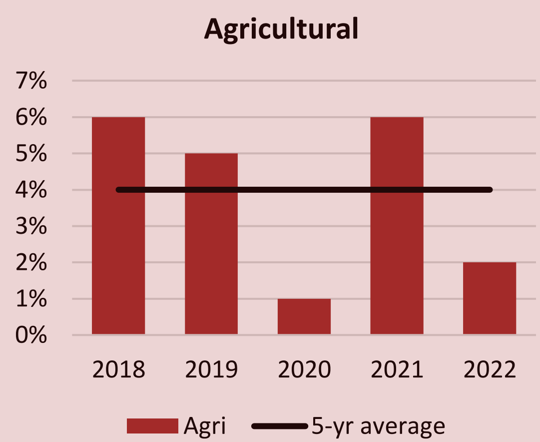
Rwanda Pillar 1 & 2: Agriculture and manufacturing sectors most stable, whilst manufacturing highest growth

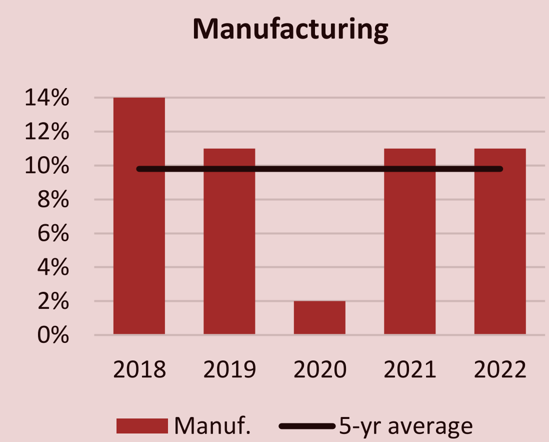
Regional trade

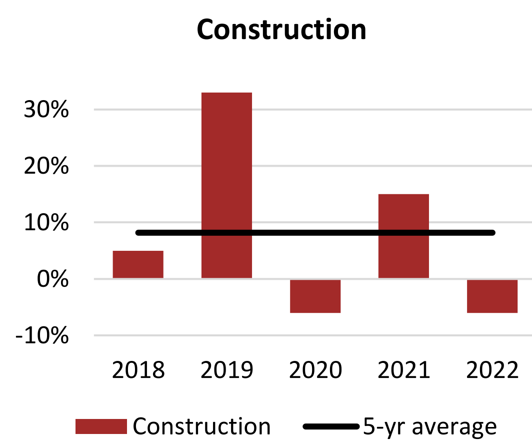
Rwanda GDP mix biased towards agriculture and services

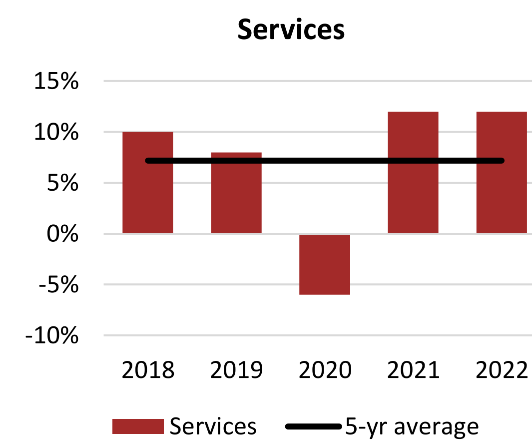


GDP sector growth









Source: Rwanda Bureau of Statistics

Rwanda Pillar 1 – EBRL strategic focus areas

EQUITY

PILLAR PROGRAMME: SUSTAINABLY COMMERCIALIZE SMALLHOLDER PRODUCERS

Rwanda agricultural sector is largely populated by smallholder producers with limited capacity – need to drive entrepreneurship and productivity gains within agricultural supply chain

FOOD & AGRICULTURE

CEREALS | FIBRE PRODUCTION | HORTICULTURE | DAIRY & LIVESTOCK | AQUACULTURE | MEDICINAL HERBS

INITIATIVES

- **Entrepreneurship capacity** – conversion of subsistence and smallholder farmers into sustainable agro-businesses through financial literacy and entrepreneurship training
- **Production enhancement** – drive smallholder productivity gains through adoption of enhanced farming practices supported by partners in agronomical training

INPUT & MACHINERY

- **Input access** – input financing schemes and partnerships to drive yields to world averages
- **Mechanization** – asset finance schemes and partnerships to drive yields to world averages

PILLAR PROGRAMME: ENHANCE ECOSYSTEM

Rwanda's agricultural sector is fragmented and sub-scale and challenged by market structure deficiencies – need to connect, coordinate, finance and drive a more conducive operating environment

INITIATIVES

- **Value chain efficiency and optimisation** – crowd in investment into shared infrastructure, enhance pricing efficiencies and R&D. Work with policymakers for conducive environment
- **Market access** – support last mile connectivity and transparency and traceability
- **Value chain linkages** – aggregation of smallholder farmer / fragmented output and enhancement off take arrangements between stakeholders
- **Value chain coordination and access to credit** – ecosystem approach to assist coordinate flow of goods, services and value across the value chain

Rwanda Pillar 2 – EBRL strategic focus areas

EQUITY

PILLAR PRGROMME: SCALE VALUE CHAIN ANCHORS & ENHANCE VALUE CHAIN LINKAGES

Value addition of Rwanda's resources will drive wealth transformation and the resultant demand complementarities will deepen and broaden African value chains – need to scale value chain anchors and enhance value chain linkages

INITIATIVES

CAPACITY UTILIZATION AND VALUE CHAIN LINKAGES	CAPACITY EXPANSION
• **Distributor and supply chain linkages** – linkage of suppliers and distributors to anchors through working capital financing for the entire value chain • **Government policy** – work with policymakers for conducive environment	• **Access to credit** – more targeted and intentional credit penetration of the manufacturing sector

PILLAR PROGRAMME: ESTABLISH MANUFACTRUING & SERVICES HUBS

Clustering of Rwanda's manufacturing and services will drive regional economies of scale and comparative advantages – need to coordinate complimenting country capabilities with each other to catalyse an integrated and connected Africa

INITIATIVES

RWANDA
Services hub for central Africa

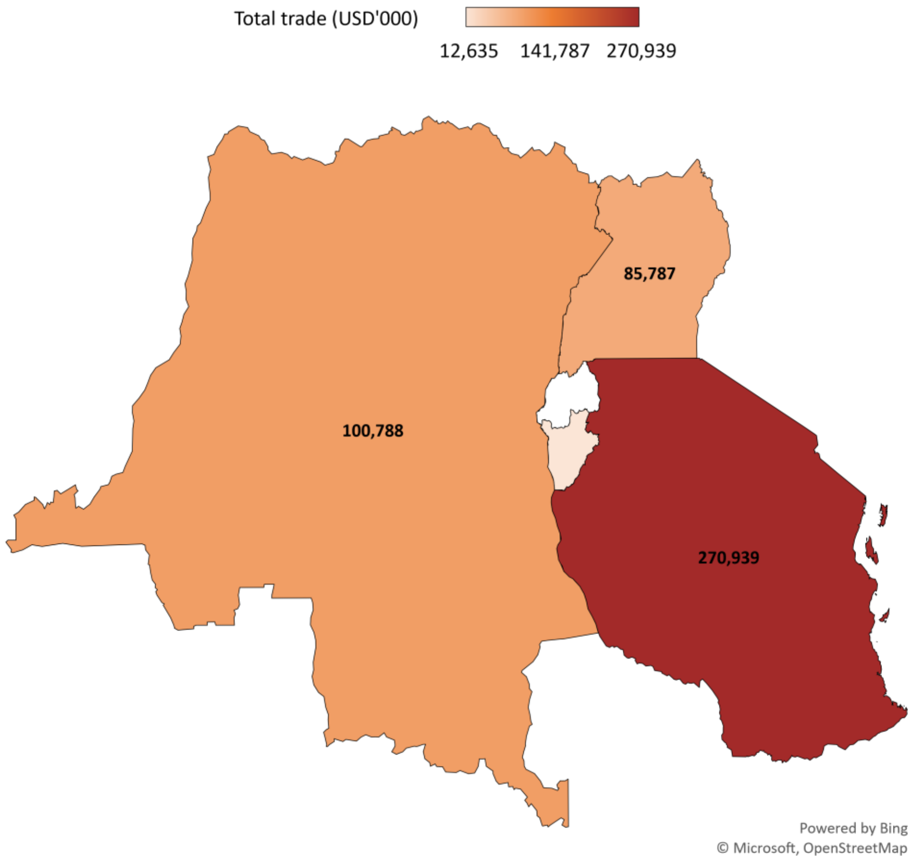
- **MICE** – services and convening hub
- **Kigali** – manufacturing and diversified services hub

Source: Equity Strategy

Rwanda Pillar 3: Regional trade

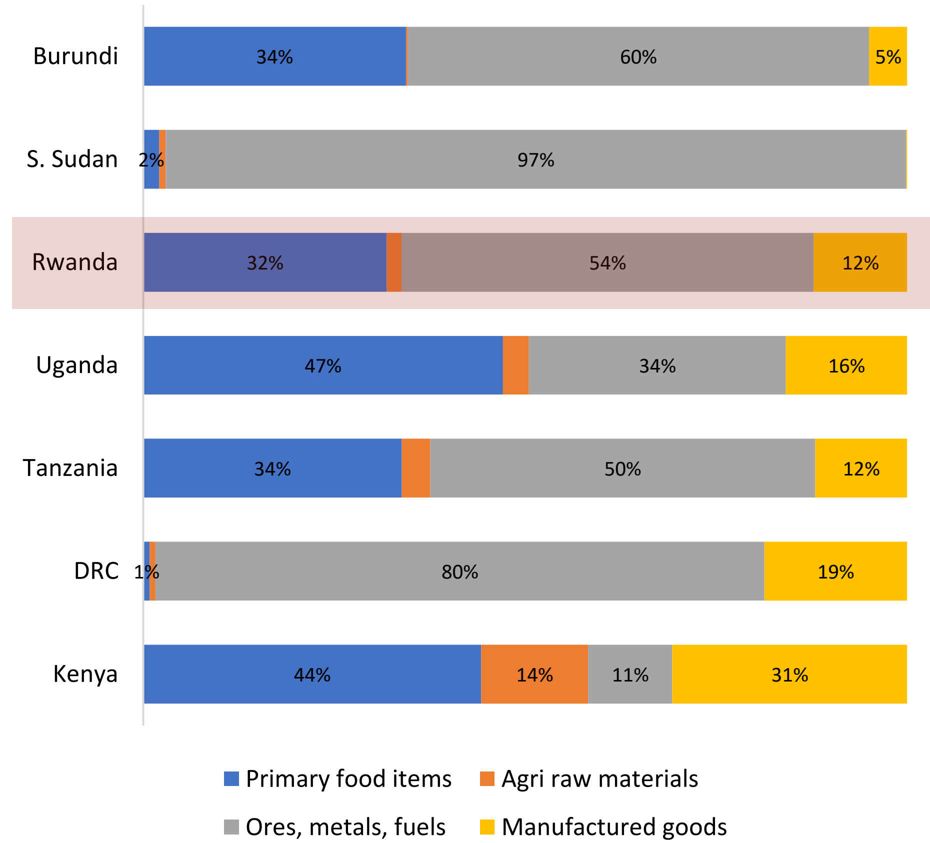
Regional trade

Merchandise trade with neighbours (USD470m)



Trade structure

Rwanda exports concentrated in primary exports



Source: Rwanda Bureau of Statistics

Rwanda Pillar 3 – EBRL strategic focus areas

PILLAR PROGRAMME: INCREASE REGIONAL AND INTERNATIONAL LINKAGES

African countries have significant potential to complement each other, and regional trade will underpin a coordinated and integrated Africa – need to increase intra-continental trade

INITIATIVES

EAC AS THE ANCHOR TO "ONE AFRICA"

- **Increased intra-EAC trade –** member linkage through trade missions
- **Regional trade policy** – collaboration through EAC / EABC

INTRACONTINENTAL TRADE

- **Increased intra-Africa trade –** member linkage through trade missions
- **Continental trade policy** – collaboration through AfCFTA

GLOBAL VALUE CHAINS

- **Connectivity to global supply chains and offtake markets** – collaboration through Commonwealth, economic blocs and bilateral collaborations

PILLAR PROGRAMME: ATTRACT FOREIGN DIRECT INVESTMENT

Wealth transformation of Rwanda will require significant investment, technological advances and specialised skills – need to champion foreign direct investment into African primary sectors and manufacturing.

FOREIGN DIRECT INVESTMENT

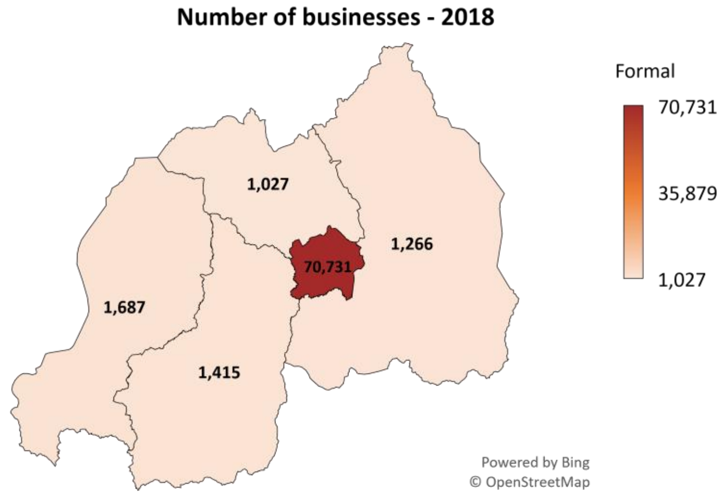
INITIATIVES

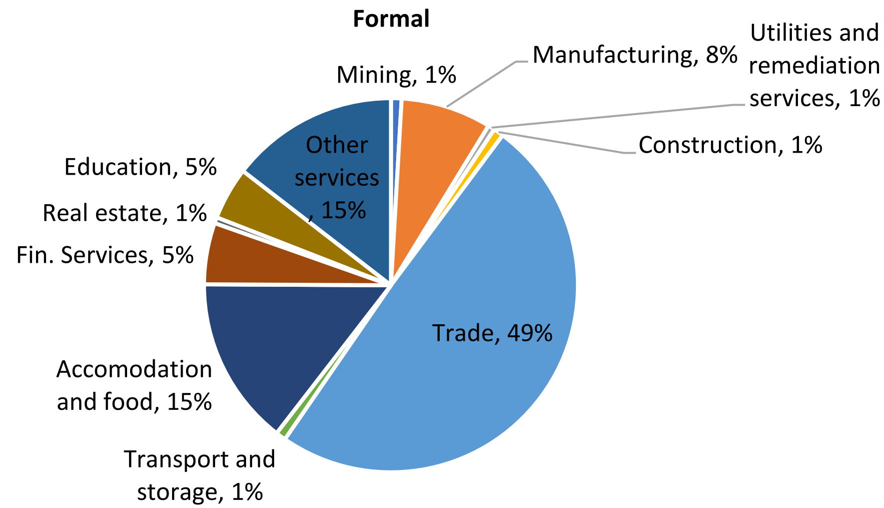
- **Changing the African narrative** – strong communication and global advocacy of African opportunities
- **Investment ambassador** – connect capital to opportunities
- **Alternative supply chains** – convert trade into FDI in African value chains and infrastructure

Source: Equity Strategy

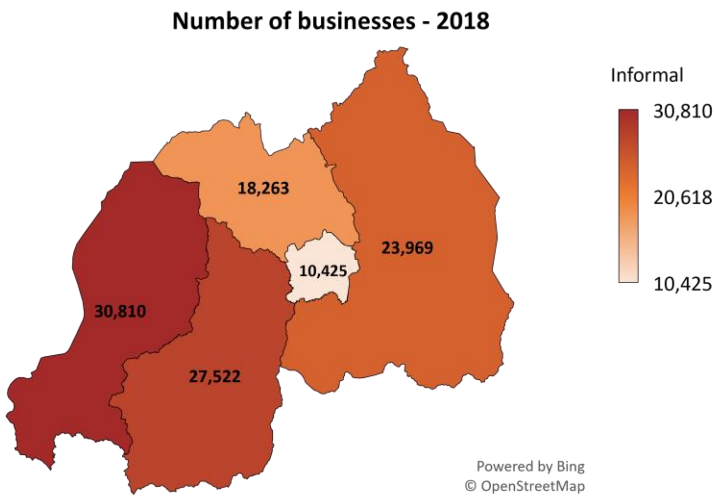
Rwanda Pillar 4: Formal businesses concentrated in Kigali / trade, whilst informal businesses concentrated in south-west / trade / accommodation

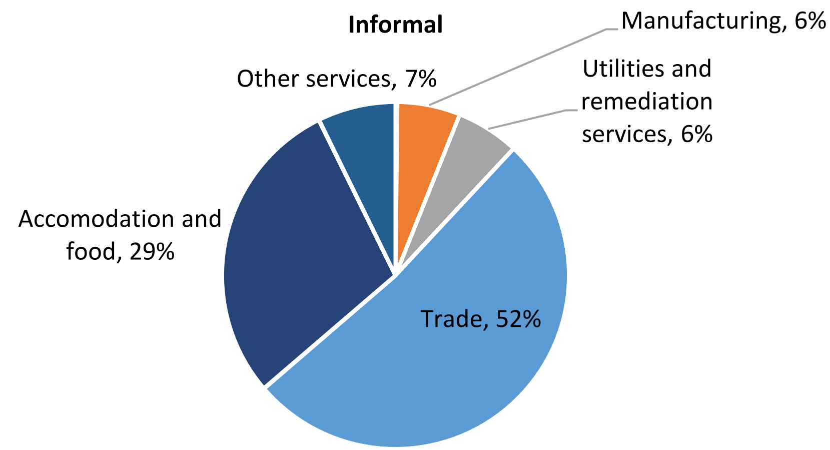
Formal businesses





Informal businesses





Source: Rwanda Bureau of Statistics

Rwanda Pillar 4 – EBRL strategic focus areas

EQUITY

PILLAR PROGRAMME: CAPACITY BUILDING OF PRODUCTIVE SECTOR

Rwanda's MSMEs and the informal sector are significant contributors to Rwanda's economy – need to assist capacity building and formalization to drive productivity gains

INITIATIVES

STAKEHOLDER CAPACITY BUILDING	FIT FOR PURPOSE SKILLED LABOUR
• **Entrepreneurship capacity** – conversion of consumption economy into productive economy through entrepreneurship training and accelerate transition of entrepreneurs towards large businesses	• **Job creation** – alignment of labour supply

PILLAR PROGRAMME: ACCELERATE LINKAGE OF MSMEs TO FORMAL VALUE CHAINS

Rwandan MSMEs disenfranchised due to fragmented and disorganized value chains – need a holistic and ecosystem solutioning to connect MSMEs to formal value chains.

INITIATIVES

FINANCIAL INCLUSION

- **Ecosystem solutioning** – Linkage to formal value chains and value chain anchors
- **Access to credit** – more targeted and intentional credit penetration of the MSME sector

Source: Equity Strategy