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**TRADE**  
+ INVESTMENT  
**HUB**

# East Africa Trade and Investment Hub

## Investment and Technology Component

*Attracting and accelerating U.S. / EAC investment and technology adoption*



*East Africa Trade and Investment Hub Investment and Technology Director Kanini Mutooni welcomes her new team of transaction advisors.*

### Component Goals

- Facilitate investment and promote the use of available global technology
- Improve the policy environment for East African Community integration, trade, and investment
- Promote intra-regional and export trade, particularly under the African Growth and Opportunity Act

### Expected Accomplishments:

- Facilitate \$100 million of new investments in targeted sectors in the EAC
- Double the value of intra-regional trade in the East African Community
- Increase non-oil exports to the U.S. under the African Growth and Opportunity Act by 40%
- Foster 10,000 new jobs through firms assisted by the Trade and Investment Hub and its partners

### Priority Sectors:

- Agribusiness
- ICT
- Financial services
- Leather
- Cotton, textile and apparel

### Accomplishments to Date:

- Reached financial close on 2 transactions worth \$6.4m in Uganda and Ethiopia
- Signed term sheet for a \$7 million investment in the Kenyan dairy sector.
- Facilitated 35 investment linkages with regional

### OVERVIEW

The East Africa Trade and Investment Hub (the Hub) is the U.S. government's flagship project under the presidential **Trade Africa** initiative, launched in 2013 to boost trade and investment with and within Africa. The Hub facilitates East African Community (EAC) investment and technology adoption. The project connects investors to investees and builds awareness of opportunities for African and U.S. firms to increase trade and expand business partnerships, particularly under the African Growth and Opportunity Act (AGOA). The Hub works with the private sector and local governments to find practical solutions for trade and investment constraints that lead to a pro-investment environment.

### INVESTMENT AND TECHNOLOGY FOCUS AREAS

The Hub's investment and technology component conducted an analysis to determine high-impact sectors in the East African region. The Hub chose its sectors based on return on investment and alignment to Hub overall objectives, including employment, regional trade, technology acquisition, and gender inclusion.

The Hub offers transaction support services to eligible investors include private equity funds, commercial banks, impact funds, and development finance institutions.

The Hub's transaction team acts as a neutral intermediary to provide:

- Opportunity validation
- Market intelligence
- Fundraising support
- Due diligence
- Deal structuring
- Financial analysis and modelling

The team has extensive experience in providing investment and economic development advisory services to governments, development finance institutions, private equity firms, Fortune 100 companies, and public policy research institutions, including in frontier markets.

private equity firm investors and potential investee companies during two regional private equity conferences.

- Provided a leather advisor to the Cabinet Secretary at Ministry of Industrialization and Enterprise Development Kenya to help turnaround the sector, working directly with the Kenya Leather Development Council.
- Launched the Young Innovators in Agribusiness Competition and trained 120 startups and small and growing businesses.
- Established formal partnerships with investment promotion agencies from East African Community (EAC) Partner States. The Hub signed MoUs with the:
  - American Chamber of Commerce in Kenya
  - Aspen Institute's Diaspora Investment Alliance (DIA).
  - Corporate Council on Africa (CCA)
  - Kenya Investment Agency (KenInvest)
  - Uganda Investment Authority (UIA)

***“The transaction advisors mapped out the potential service offerings and provided concrete suggestions for which services presented the greatest potential for investment,” said a representative from Ascent Capital. “They hit the ground running and were able to execute the project in the planned timeline.”***

#### **East Africa Trade and Investment Hub Contacts:**



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## **Transaction Highlight**

### **USAID Supports Investment to Expand Mobile Money in Uganda**

The Hub investment and technology team facilitated a \$1.57 million investment transaction between Ascent Capital, an East African private equity firm, and Chims, a mobile money company in Uganda.

The capital will enable the company to expand its agent network across Uganda, create an estimated 160 new jobs, and increase the availability of mobile money—the electronic transfer of money using cell phones—to small and medium-sized enterprises and agricultural traders in Uganda and the region.

Mobile money is an innovation that has been consistently identified as a solution to increasing financial inclusion and, ultimately, more broad-based economic growth in Africa. The Hub and its investment transaction advisors connect investors with emerging companies and serve as neutral intermediaries to validate opportunities and conduct due diligence, provide market intelligence, , conduct financial analysis and modeling, and structure deals.

For this transaction, the Hub analyzed the mobile money market in Uganda to inform a post-investment roadmap and strategy for the firm's expansion, including recommendations for the introduction of new products and services. Hub transaction advisors also conducted commercial due diligence for the investor, including customer and competitor analyses, among others.

The team used the relatively more mature Kenyan mobile money market as a case study and highlighted the trend of regional integration that will open a new frontier for the industry. For instance, it is now possible for MTN Rwanda customers to send mobile-to-mobile remittances to MTN Uganda subscribers.