



Launching Event Ghana

2nd February 2019

Humanity House

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ED4D Coordinator, IOM Netherlands

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Director, Investor Services Division, Ghana Investment Promotion Centre (GIPC)

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CEO, Wajenzi

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Ms. DORIEN DEKETELE

Project Coordinator

IOM the Hague

Promoting & facilitating diaspora entrepreneurship in Ghana & Ethiopia



Signing of agreement
between IOM and PUM





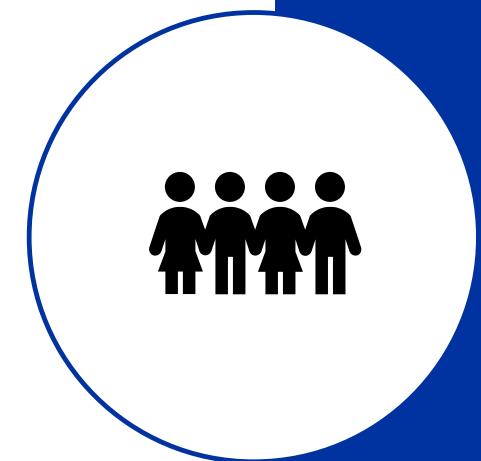
WHY GHANA & ETHIOPIA?

- Substantial presence of Ethiopian and Ghanaian diaspora in the NL
- Stable economic environment
- Strong involvement of IOM offices in Ghana and Ethiopia in diaspora engagement
- PUM's presence in both countries
- Interest of the Dutch MFA
- Interest of the Ghanaian and Ethiopian governments to promote the participation of the diaspora in national development



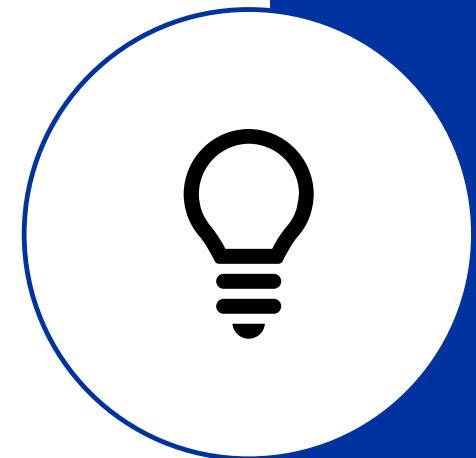
Definition of diaspora (IOM)

- “individuals & members of networks, associations & communities, who have left their countries of origin, but maintain links with their homelands.”
- Covers settled expatriate communities, migrant workers based abroad temporarily, expatriates with nationality of the host country, dual nationals, and second/third generation migrants.”



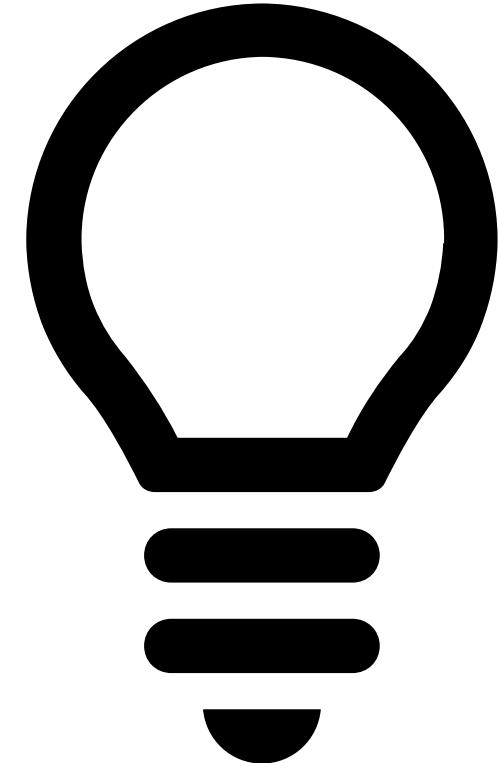
Definition of entrepreneurship (UNCTAD)

- “the capacity and willingness to undertake conception, organization, management of a productive new venture, accepting all attendant risks and seeking profit as a reward”.
- Encompasses self-employment, microenterprises, SMEs and MMEs, high-growth firms.



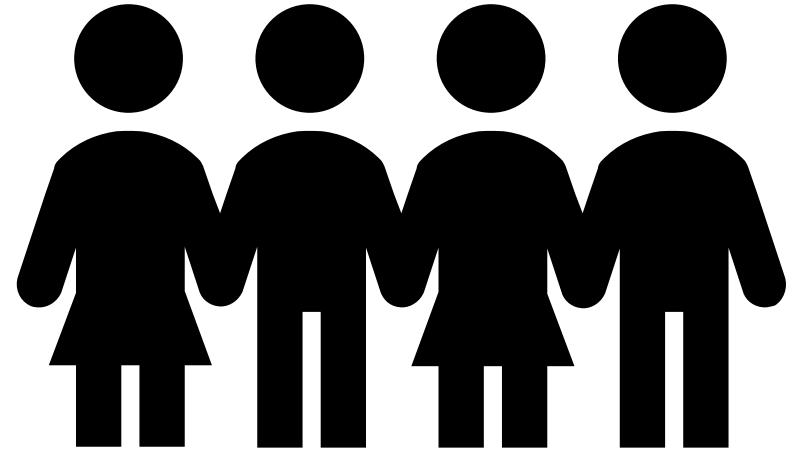
Why become an entrepreneur?

- Better economic prospects
- More freedom
- Alternative employment strategy
- BUT not everyone is or wants to be an entrepreneur. You need a drive and certain skills



Advantage of diaspora

- cultural and linguistic affinity
- networks in both countries
- expertise, knowledge or innovation/technology that might be missing in Country of Origin
- different vision on how to deliver services



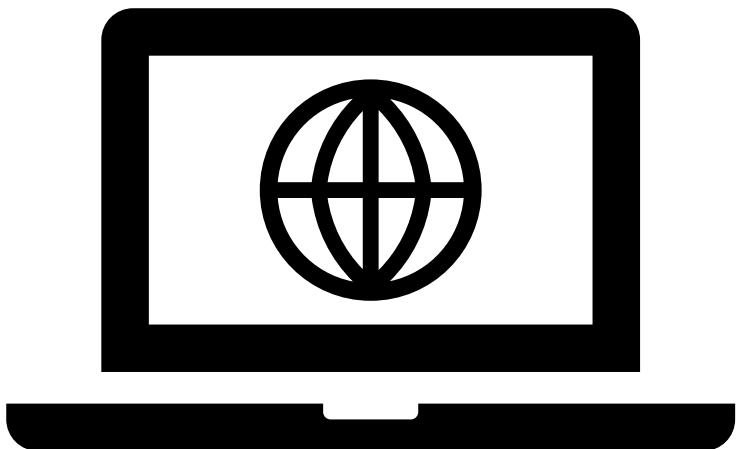


Project duration

November 2018- October 2020

Project aim

Encourage the Ghanaian and Ethiopian diaspora residing in the Netherlands, or Dutch entrepreneurs in partnership with the diaspora, to engage themselves for the development of the private sector in Ghana and Ethiopia.

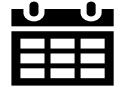


Diaspora outreach

Different channels:

- Partners
- Diaspora associations
- Ghanaian and Ethiopian Embassy
- PUM
- Social media

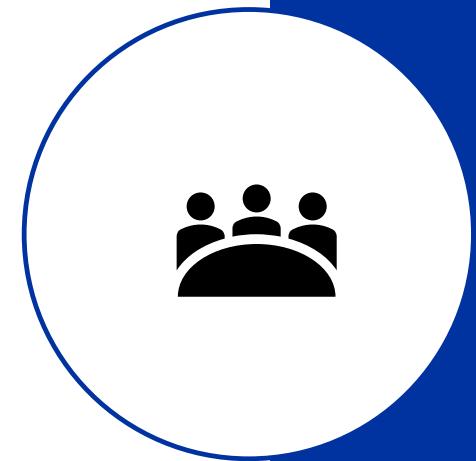
Call for business ideas: eligibility

- New or expanding business in Ghana or Ethiopia
- Diaspora entrepreneurs or Dutch entrepreneurs in connection with diaspora (valid Dutch residence permit)
- At least bachelor degree
- Uniform template: not full fledged business plan
- Call published on www.connectingdiaspora.org and submission via website
-  February, March 2019
- Two months open



Selection process

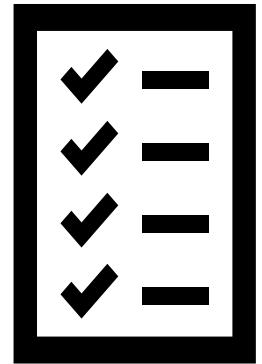
- Selection of best business ideas (not yet full proposals)
- Preselection in NL  April 2019
Committee members: IOM, PUM, RVO, private sector experts
- Final selection in Ghana/Ethiopia  May 2019
Committee members: IOM, Investment Commission, private sector experts, Diaspora Agency or Unit
- 20 selected per country



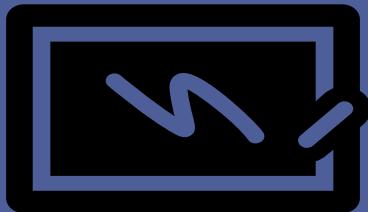
Selection criteria

Some positive criteria (non exhaustive):

- Priority sector
- Innovation
- Proven business experience
- Own Capital
- Environmental friendly
- Potential to hire local staff



Training



Start June 2019  in the Netherlands

Topics (provisional):

- Communication
- Scan business environment
- Identify local partners
- Feasibility analysis
- Marketing
- Finance

Mentoring

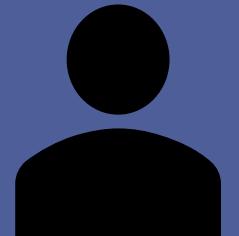
Match the 20 entrepreneurs with PUM experts depending on:

- chosen business sector
- expressed needs



Start June 2019

Individualized assistance that allows for specific guidance and advice.



TOOLS

Practical guide



EIC: i-guide Ethiopia

<https://www.theiguides.org/public-docs/guides/ethiopia>

- overview of identified priority sectors
- regulatory framework

PUM:

- potential funding mechanisms
- Mapping of incubators.



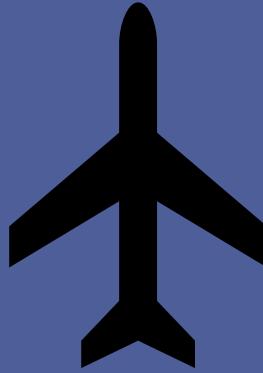
« Learn at your own pace in your own time ».

HP Life, a program of the HP Foundation : free training courses : online business and IT training.

<https://www.life-global.org/>



Go and see missions



- For the selected 10 entrepreneurs/ country
- Facilitated by IOM Ghana/Ethiopia
- To meet with governmental or financial institutions, other businessmen in the same sector to get a feel of the business climate and refine the business ideas
-  October- November 2019

INCUBATION

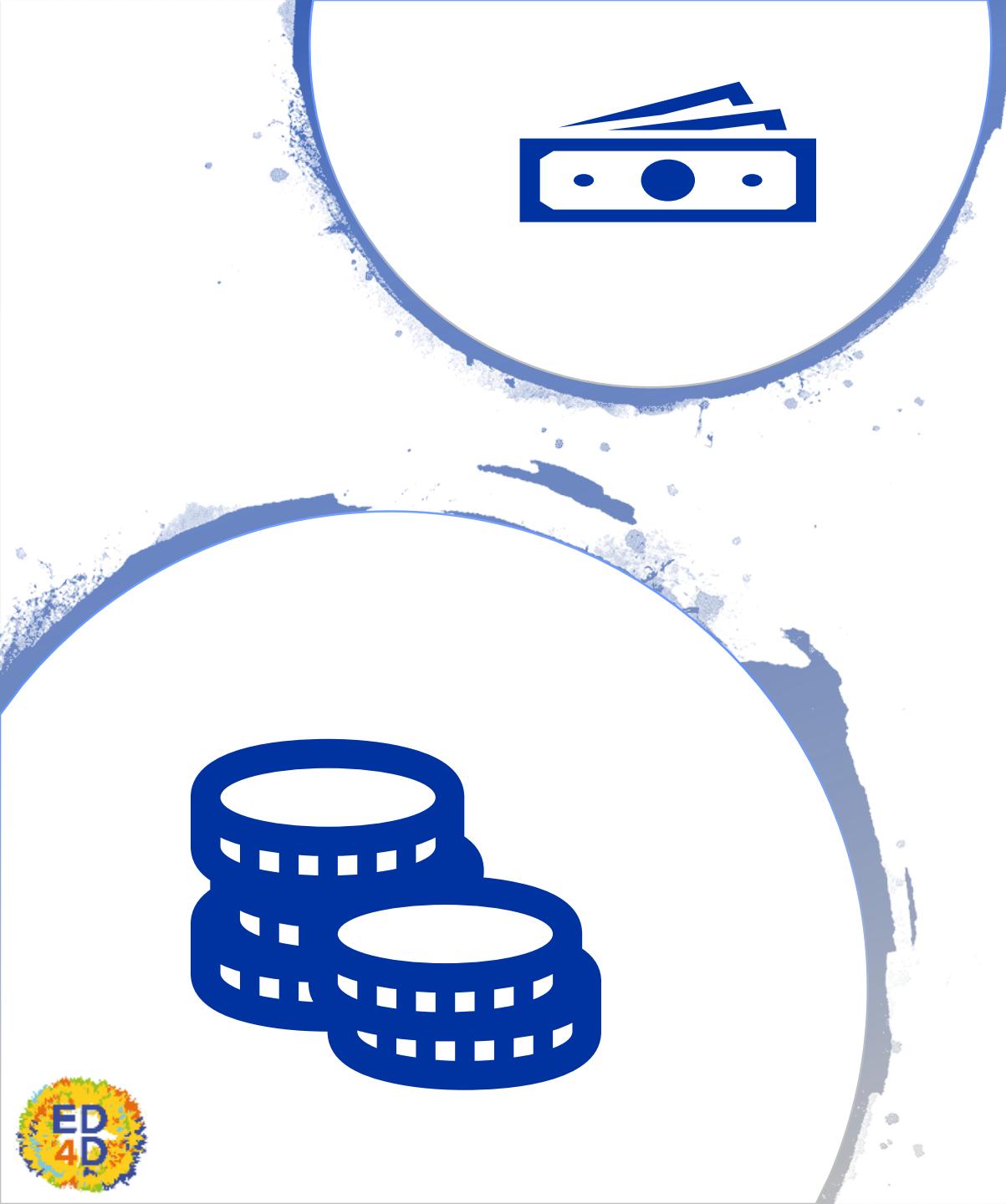
- Explore the possibilities of integration entrepreneurs in existing incubators in Ghana, Ethiopia or the Netherlands
- Take the time to get connected, spark ideas, solve problems, refine ideas...

where innovative ideas have room to grow



AN INITIATIVE OF THE KINGDOM OF THE NETHERLANDS





Access to finance

- The practical guide will provide an overview of the funding ecosystem in Ghana, Ethiopia and the Netherlands.
- IOM and PUM will act as a facilitator to liaise the entrepreneurs with the best funding source.
- Aim: maximize the funding chances of the selected business plans and keep the entrepreneurs motivated.



Thank You!

ddeketele@iom.int

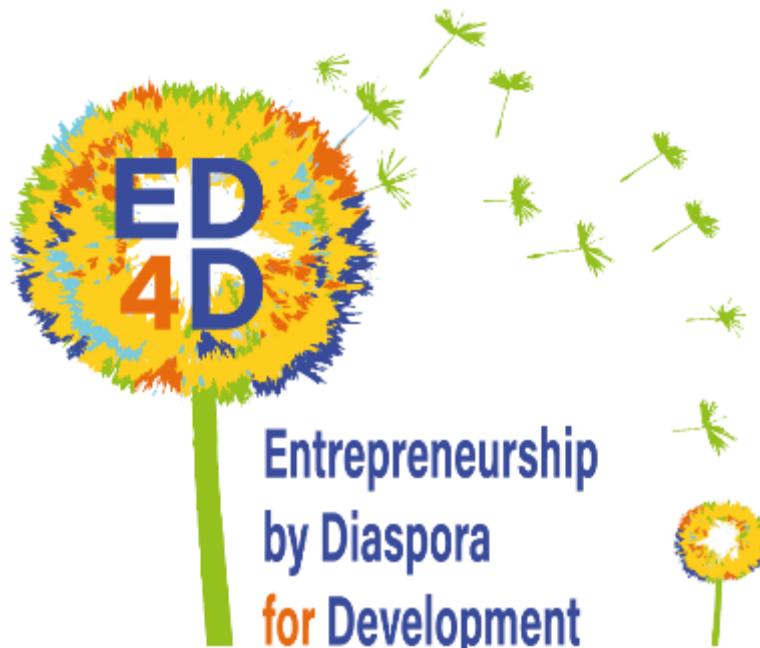
www.connectingdiaspora.org



**Mr. STEPHEN VAN
KEMPEN**

PUM

**Netherlands Senior
Experts**







Netherlands senior experts

- **Launching Event ‘Entrepreneurship by Diaspora for Development (ED4D)’**

- **PUM Netherlands senior experts** is a volunteer organization committed to the sustainable development of small and medium-sized enterprises in developing countries and emerging markets
- PUM works with around 2000 senior experts who share their knowledge on a one-on-one basis. Either through short-term and repetitive advisory missions at the work floor, or through (online) coaching activities
- **Stephen Van Kempen** CPA and a PUM senior expert
- More than 35 years audit experience of which over 20 years as an Audit partner of one of the big 4 Audit firms
- Experience with Small and Medium sized Entities as an auditor but also as a consultant (strategy, business plans, valuation, succession etc.)
- Started 4 years ago after ‘retirement’ doing projects for PUM
- Until this moment carried out approx. 15 projects in countries as Madagascar, Cambodia, Indonesia, Zimbabwe, Mongolia, Cote d’Ivoire, etc.



- **Insight in the keys to run a successful business**
- What is the basis for a successful business ?
- What do I need and who can assist me to start new business ?
- What are important items to bear in mind ?
- What are important attention points to avoid failure ?
- When do I make the next step ?



• **What is the basis for a successful business ?**

- A driven and ambitious (group of) 'entrepreneur'(s) with drive and a lot of energy.
- Try to achieve a good mix in skills. Sometimes it can be in 1 person, but sometimes if you really lack specific skills you have to find it in other persons.
- To start with an idea that is feasible within the knowledge and possibilities of the involved person(s).
- A potential need for the products or services in the specific market.
- A plan to see if the intended business is workable and financeable.
- A starting capital or the possibility to acquire enough capital.



• **What do I need and who can assist me to start new business ?**

- Don't start in the blind. First try to explore the possibilities and build a network.
- A business plan is necessary to assess the expectations up front, but also an essential document for financing the company if needed.
- You need people with experience and a critical mind set to assist you up front and during the whole process to give you advise and feedback.
- Probably you can not do everything on your own (bookkeeping, tax, logistics etc.) so be sure you have capable resources.



• **What are important items to bear in mind ?**

- Always keep control, especially with new employees, suppliers, products etc.
- The cheapest employees are probably not the best ones to hire.
- Try to be up speed with your administration. What did I order, did I send out all my invoices, are my invoices paid in time, when do I have to pay my invoices etc. ??
- Planning is important to avoid surprises.
- Try to produce periodical financial information.
- Know your business. What is the cost price ??
- Try to reflect on your business on a regularly basis.



• **What are important attention points to avoid failure ?**

- Stay realistic !
- Take actions in time to avoid running out of money !
- For key functions try to retain the employees !
- Do not try to do to many things at the same time. Focus on your core business and expand controlled !
- Do not take big risks, even if looks very profitable !



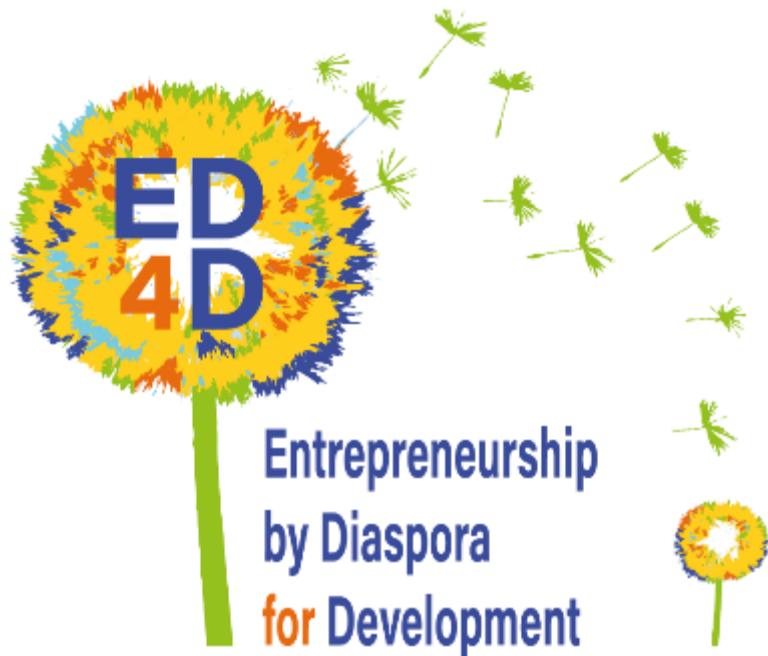
• **When do I make the next step ?**

- As mentioned before growing steady in stead of to fast is probably better.
- When the basis is strong (structure, organization, capable employees etc.) and there are possibilities related to your present business you can think of the next step. But again make a business plan etc.
- Be aware that growing bigger also means a different mind set. More managing and controlling your company and less 'operating' by your self. You need an other business model and probably will become more dependent of other people.



- Questions ?





Mr Edward Ashong
Director,
Investor Services Division,
Ghana Investment Promotion
Centre



BUSINESS CLIMATE *in* GHANA

Presentation by Mr Edward Ashong
Director, Investor Services Division, GIPC

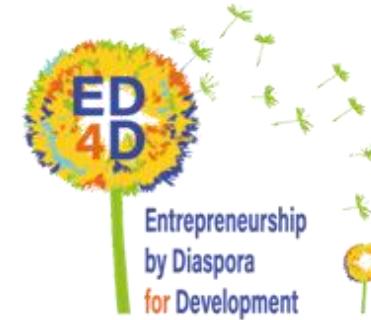


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THE GIPC MANDATE

The Ghana Investment Promotion Centre (GIPC) is a government agency established under **Act 865** to promote, coordinate, and facilitate investment in the Ghanaian economy.

Functions include:

- Investment advisory services
- Joint venture facilitation
- Identification of specific projects for investment promotion
- Grant of investment incentives and provision of investor support services
- Registration of technology transfer agreements
- Negotiation of bilateral investment treaties



COLLABORATING INSTITUTIONS

- Embassies and Diplomatic Missions
- Ghana Free Zones Board
- Minerals Commission
- Petroleum Commission
- Ghana Export Promotion Authority
- Environmental Protection Agency
- Bank of Ghana
- Ministry of Foreign Affairs
- Ministry of Trade and Industry
- Registrar General Department
- Ghana Immigration Service
- Association of Ghana Industries
- Ghana Chamber of Commerce and Industry
- Ghana Chamber of Mines
- Private Enterprise Federation



Ghana at a Glance



Population
28,308,301



Income category
Lower middle income



Economy
West Africa's 2nd largest economy and market access to over 350million ECOWAS Market



Accessibility
Flight connections to Europe, Middle East, Americas, Asia - Average of 6 - 8 hours across countries



Human Resource
Skilled and trainable labour

Ghana's Economic Overview | Key Indicators



Diverse and robust economy rich in resources including gold, cocoa and oil.



Projected at 7.8 % in 2019, the fastest growing economy in the world
Growth rebounded and growing over last 3 quarters



Ranking in Africa of 21 of 53.
Globally Ranks 146th of 185

Ghana's Economic Overview | Key Indicators

INFLATION

9.4%



Headline inflation continues to drop

FDI

USD 4.9Bn



Preferred FDI destination in West Africa;
Received highest percentage of West Africa FDI

TRADE BALANCE

USD 1.4Bn



Improved Trade balance position
1st Trade Surplus after 5 years of deficits

A Conducive and Safe Political and Business Environment

25 Years

Democratic Rule

One of the longest uninterrupted democratic rules in Sub-Saharan Africa.



5 Rulers

Elected Presidents

5 leaders democratically elected through fair and peaceful elections since 1992.



3 Successful Transitions

Change of administration

Successful presidential transitions between political parties in the 4th Republic.



12th



Ease of doing Business in Sub-Saharan Africa

22%



Tax for Companies listed on the Ghana Stock Exchange

9 sectors

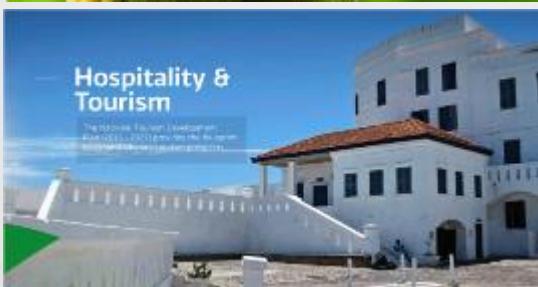


Sectors that Investment Incentives cover

100%



Transfer of profits and dividends under Ghanaian investment laws



INFRASTRUCTURE

- Integrative and transformative transportation, railway
- Schools
- Hospitals
- Road, bridges and airports

AGRICULTURE

- Mechanized production
- Irrigation, One Village One Dam
- Value Addition and Processing
- Planting for Food and Jobs

TOURISM

- Ecotourism
- Culture Tourism
- Hospitality Centers and Hotels
- Theme parks
- Marine Drive

INDUSTRY

- One District One Factory
- Bauxite, Iron ore, Gold processing
- Pharmaceuticals
- Textiles
- Cocoa processing
- Agro-processing

Industrialization – A Strategic Focus for the Current Administration to Transform the Ghanaian Economy

Investment Target: USD 2.80billion

Industrial Revitalization	\$100m - \$200m	Stimulus package to viable but distressed companies.
One District One Factory	\$500m - \$1bn	<ul style="list-style-type: none">▪ Focus on creation of factories and industries▪ Decentralize industrial development▪ State will facilitate business set up
Anchor Industries		<ul style="list-style-type: none">▪ Develop robust industries in:<ul style="list-style-type: none">– Petrochemical– Integrated Aluminum– Pharmaceuticals
Industrial Parks	\$100m - \$300m	<ul style="list-style-type: none">▪ Creation of industrial parks▪ Parks could be Free Zone enclaves▪ Access to reliable energy supply.
SME Development	\$100m - \$300m	<ul style="list-style-type: none">▪ Create enabling environment for SMEs▪ Provide assistance – financial and technical▪ Regulatory reform

Industrialization – A strategic focus for the current Administration to transform the Ghanaian economy

Investment Target: USD 2.80billion

Export Development Programme	Facilitate businesses to explore export opportunities including AGOA and the EPA.
Retail Infrastructure	<ul style="list-style-type: none">▪ Value addition to meet global standards▪ Demand for retail infrastructure due to rollout of flagship.
Regulatory reforms	Ease the cost and process of doing business in the country.
Industrial sub-contracting exchange	Creation of useful contractual relationships between corporations and SMEs.
Public-Private sector Dialogue	Annual evaluation of initiatives to ensure efficiency.

Infrastructure Sector (Transportation)



Railway

- Strong Government commitment to revitalize the railway sector
- The Railway expansion master plan proposes **over 4,007 km of integrative railway**
- Estimated capital required – **USD21.0Bn**



Roads & Highways

- Upgrade and repair of existing road network - 39% in good condition, 32% fair and 29% in poor condition over the last 5 years.
- to construct and upgrade major highways and agriculture feeder roads
- Government addressing contractor bottlenecks (e.g., late payments) to accelerate construction



Aviation

- **Expansion works in Accra (USD 274mn) and Kumasi Airports (USD 29mn).**
- Creation of **new national carrier** under consideration
- **Airport infrastructure** (e.g., parking and transportation at airport)



Ports

- Need for a world class Dry Dock facility to provide Ship Repair and Maintenance services
- Opportunity to build an upgraded jetty to receive LPG and crude oil vessels

Infrastructure (Industrial Park Status Goal of 1 in each of 10 regions)

Region	Project	Location	Size	Developer	Status
Greater Accra	• Tema Free Zone Enclave	Tema	200 acres	ILDC Limited (ILDC)	Completed
	• Industrial Park Ghana	Tema	60,000 square metres	Rendeavour	Phase I – Completed
	• Appolonia Business Park	Ningo Prampram	89 acres	LMI Holdings	Completed
	• Dawa Industrial Park	Dawa	2,000 acres		Under construction
	• Tema Business Park	Tema Aflao Highway	18.5 acres	Mobus Property Holdings Ltd	Completed
Western Region	West Park Industrial Zone	Shama	405 acre	BlackIvy Group LLC	Under construction
Ashanti Region	Greater Kumasi City Special Economic Zone	Kumasi	5,000 acres		Yet to commence
Central Region					
Volta Region					
Northern Region					
Upper East Region					
Upper West Region					
Eastern Region					
Brong Ahafo Region					
Opportunities To Explore					

Infrastructure (Residential, Retail & Office Spaces)

Category	Project	Location	Size	Developer	Status
Residential	The Affordable Housing Project	Saglemi, Prampram		Messrs Construtora OAS Limited	Under construction
	The Appolonia City	Accra	6 acres	Rendeavour	Under construction
	Villaggio Vista	Airport Residential		Trasacco Estate Development Co.	Completed
Retail	Junction Shopping Centre	Nungua	11,597-sq-metre	RMB Westport	Completed
	Accra Mall	Accra	23,000 sq metres	Actis	Completed
	West Hills Mall	Weija	27,000 sq metres	Delico Property Development	Completed
	Kumasi City Mall		29,000-sq-metre		Completed
Office	Accra Financial Centre	Accra		RMB Westport	Completed
	Stanbic Heights	Airport City	20,000-sq-metre	RMB Westport	Completed
	One Airport Square	Airport City		Laurus Development Partners	Under Construction
	The Octagon	Accra Central		Dream Realty	Completed
	The Rhombus	West Ridge	6500-sq-metre		Completed

Information Communication Technology



Mobile subscription of 137.92%
Significant opportunity for M-Governance
applications



Internet of Things (IoT) and Big Data

opportunities to vastly improve government interaction
with citizenry

- National Identification Project
- National Database Project
- National Addressing Project
- Technology Parks

Information Communication Technology

Fast growing Fintech Industry

- Transactions of US\$8 billion in 2016



Indicator	2015	2016	Growth	
Growth in mobile voice customers	35,008,387	37,369,666	6.74%	↑
Registered mobile money customers (cumulative)	13,120,367	19,735,098	50.42%	↑
Registered Agents	79,747	136,769	71.5%	↑
Total volume of transactions	266,246,537	550,218,427	106.66%	↑
Total value of transactions	35,444,380,000	78,508,900,000	121.50%	↑

Comprehensive Agricultural Investment Program Across Sub-sectors



GHANA
INVESTMENT
PROMOTION
CENTRE



Investment Target: USD 3.3bn – USD 4.7bn



\$ 200m - \$ 1.0bn

Establishment of fertilizer plant in Western Region.



\$ 1.0bn

Investment in cocoa processing and value-addition for export.



\$ 300m

Setup manufacturing facility for production of irrigation equipment.



\$ 200m

Financing for fish farming operations to increase fish supply and manage restoration of water resources.



\$ 500m

Investment in the growth, consumption and export of quality rice grains.



\$ 200m - \$ 500m

Investment in poultry production to meet local consumption and reduce imports.



\$ 300m

Investment in entire value chain – Revival of Komenda Sugar Factory.



\$ 200m - \$ 500m

▪ Investment in the e-Agriculture Extension program.



\$ 200m

Investment in production of improved cotton varieties.



\$ 200m

Transformation of cashew into major cash crop and foreign exchange earner.

INVEST IN 3 EASY STEPS

Step 1 - Registration with Registrar General's Department

Step 2 - Minimum Equity Contribution

Step 3 – Registration with GIPC

No. G - 22,008



REPUBLIC OF GHANA

Certificate of Incorporation

I hereby certify that the

MINIMUM CAPITAL REQUIREMENT

Joint Ventures (JV) with Ghanaian partners are encouraged, 100% foreign participation is permissible

Equity:

- US\$200,000 for JV with Ghanaian partner (Min.10%)
- US\$ 500,000 for 100% foreign ownership
- US\$ 1,000,000 for trading activity (Min. 20 Skilled Ghanaians)

Exemptions:

- Portfolio investment
- Manufacturing and export trade enterprises
- Foreign spouse of a citizen of Ghana
- Dual nationals

INVESTMENT INCENTIVES

- Guarantee against expropriation
- Custom duty exemption on plant, machinery and equipment
- Accelerated depreciation for plants and buildings,
- Full repatriation of dividends and net profit attributed to investment
- Transfer of funds in respect of servicing of foreign loans
- Transfer of funds after liquidation
- Losses carry forward apply to the following businesses.
 - Those in specified priority areas: five years
 - other areas: three years

INVESTMENT INCENTIVES

Locational Incentives for Agro-processing Companies

After the five-year concessionary period (1% for five years from start of operation), agro-processing enterprises which use agricultural raw materials as their main inputs have corporate tax rates fixed according to their location:

■ Accra/Tema	20%
■ Other regional capitals (except Northern, Upper East and Upper West regional capitals)	15%
■ Outside regional capitals	10%
■ Northern, Upper East and Upper West regions (capitals and all other locations)	5%

INVESTMENT INCENTIVES (Sector Specific)

SECTOR/ACTIVITY	CONCESSIONARY TAX RATE	TAX RATE AFTER CONCESSIONARY PERIOD
Tree crop farming	1% for 10 years from start of operation	25%
Cash crops/farming livestock, other than cattle or fish	1% for 5 years from start of operation	25%
Cattle farming	1% for 10 years from start of operation	25%
Agro-processing business – converting fish, livestock into edible canned products	1% for 5 years from start of operation	25%
Income from a cocoa by-product business	1% for 5 years from start of operation	25%
Income of a company from a waste processing business	1% for 7 years from start of operation	25%
The income of a venture capital financing	1% for 10 years from start of operation	25%

INVESTMENT INCENTIVES (Sector Specific)

Locational Incentives for Manufacturing Companies

- Manufacturing industries located in regional capitals other than Accra and Tema 25%
- Elsewhere 50%

THANK YOU

Ghana Investment Promotion
Centre

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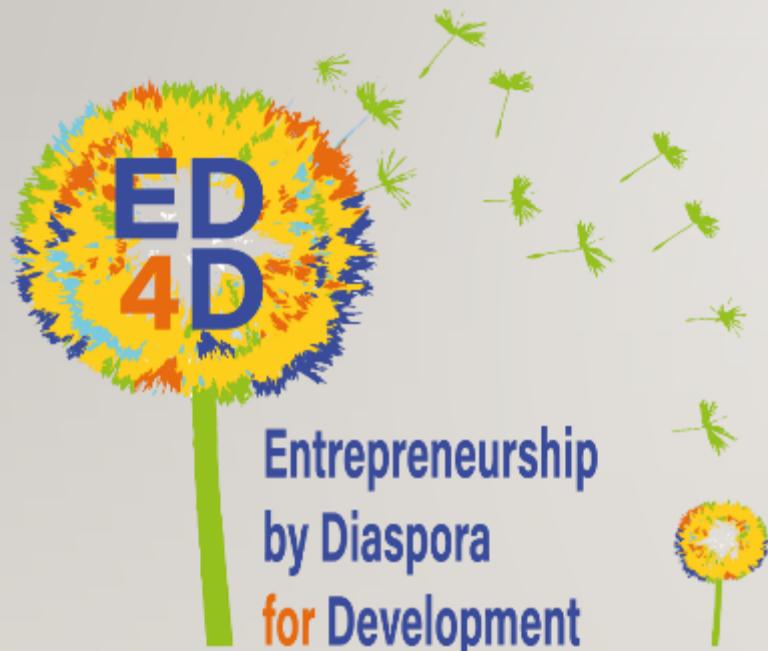
Email: info@gipcghana.com



ALAIN NKURIKIYE

CEO

WAJENZI



WAJENZI

THE COMMUNITY ARCHITECTS





PROBLEM

- ❑ Access to information on economic/investment opportunities
- ❑ Lack of financial literacy
- ❑ No specific financial instrument dedicated to the Diaspora
- ❑ Lack of trust in existing programs to mobilize their contribution



DIASPORA INVESTMENT POTENTIAL

\$38 Billion

Remittances to Africa

75%

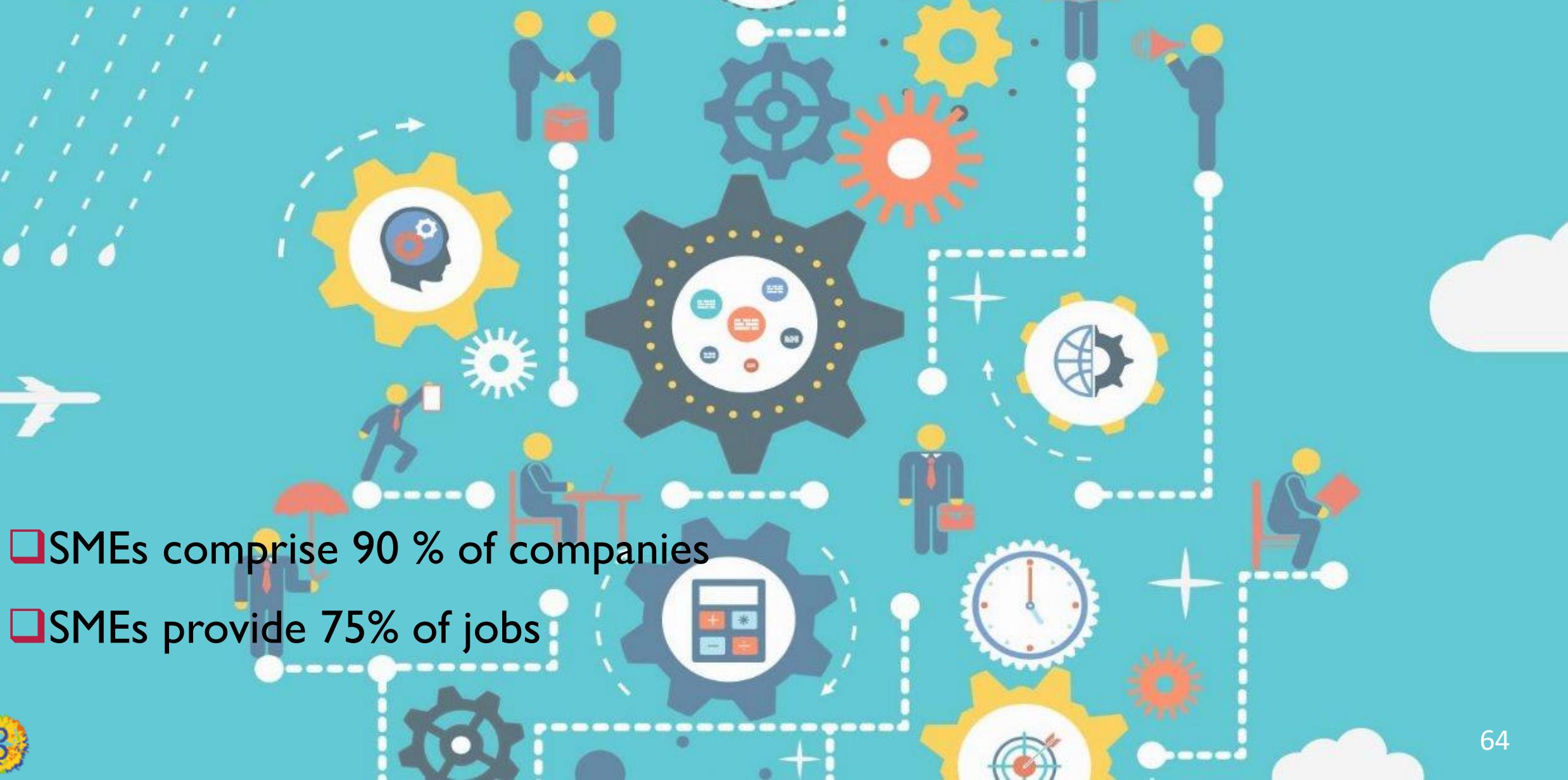
Consumption

4 X

Development Aid



SMES Are Engine For Growth



- ❑ SMEs comprise 90 % of companies
- ❑ SMEs provide 75% of jobs

1 NO
POVERTY



2 ZERO
HUNGER



3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



6 CLEAN WATER
AND SANITATION



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



10 REDUCED
INEQUALITIES



11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



14 LIFE
BELOW WATER



15 LIFE
ON LAND



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



 SUSTAINABLE
DEVELOPMENT
GOALS

PROBLEM

- ❑ 70% of Entrepreneurs don't have access to finance
- ❑ The Gap is estimated at \$ 125 Billion
- ❑ Average interest rate is 25%
- ❑ High unemployment rate especially among women and youth

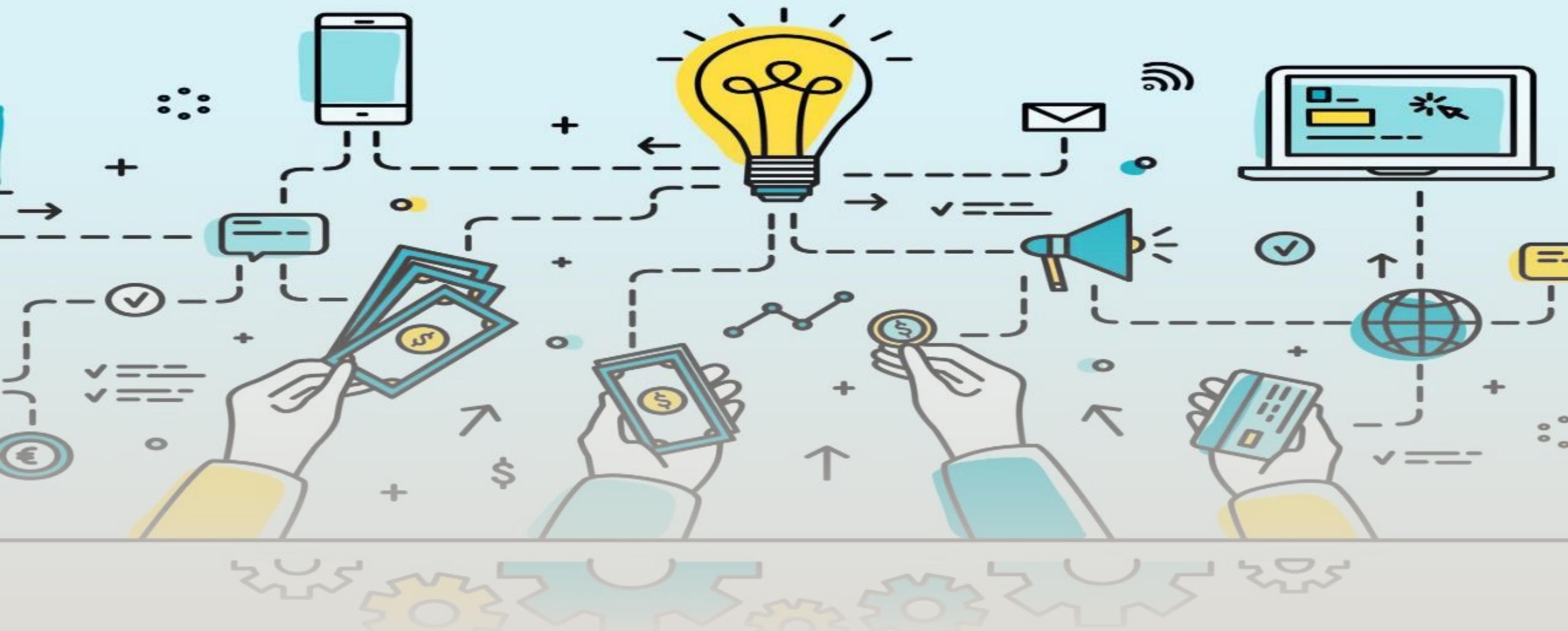


THE OPPORTUNITY

“If one in every 10 members of the diaspora could be persuaded to invest \$1,000 in his or her country of origin, Africa could raise \$3 billion a year for development financing”



CROWDFUNDING



MARKET OPPORTUNITY

\$96 Billion

Worldwide

\$ 2.5 Billion

Africa



CROWDFUNDING IN AFRICA

- ❑ 57 CFP
- ❑ \$126 Million raised in 2015
- ❑ Focus on Donation
- ❑ \$ 17 Million invested in Entrepreneurs

NUMBER OF ACTIVE CROWDFUNDING WEBSITES



BUSINESS MODEL

- ❑ Transaction Fees: 8% of fund raised
- ❑ Business Processing Fees: €500
- ❑ Marketing Campaign Fee: €200



TRACTION

- ❑ 3 Companies raising funds
- ❑ 5 diaspora members willing to invest



TEAM



Alain Nkurikiye, MBA,
CEO
Diaspora member
More than 15 years in
promoting
entrepreneurship and
investment in Africa



Gijs Dalen Meurs, MBA,
CTO
Entrepreneur with more than 20
years in software development
in finance



Nelson Amo
Ghana Country Manager
More than 10 years in
SME development



Nelly Kakunze
CTO
Master in Finance
More than 15 years in
finance, consulting and
entrepreneurship in
Africa and Europe



Imelde Adjaffon, CFA
Investment Manager
5 years of experience in SME finance

PARTNERS



FOOD

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KikiBee's: Bennet Agyekum Testimonial

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