



2026 GLOBAL CONFERENCE

LEADING IN A NEW ERA



WHY AFRICA, WHY NOW: INVESTING IN THE WORLD'S NEXT GROWTH ENGINE

Announcer 01:06

Please welcome the panel on "Why Africa, Why Now: Investing in the World's Next Growth Engine," moderated by British Robinson, chair, Africa, Milken Institute.

British Robinson 01:34

Well, good afternoon, everyone. Welcome to "Why Africa? Why Now?" Before I get started, our former First Lady, Dr. Jill Biden, is here in the background. Dr. Biden, thank you for being here, and thank you for all your support of Africa. So, to get us started today, we wanted to set the table a bit so that our panelists, who are true experts and true believers in the success and the prosperity and the growth of Africa—we've asked Qahir from BCG to provide a quick few remarks and stage setting around the big macroeconomic shifts and trends in the African investor landscape. So, with that, Qahir, over to you.

Qahir Dhanani 02:28

Thank you so much, British, and thank you to the Milken Institute for having us at this session. So, my name is Qahir Dhanani, and I'm actually a fourth-generation Kenyan, so it's a real personal pleasure and privilege to be able to share these thoughts with you on Africa. I'm going to go very quickly through five myths, five megatrends, and five investment considerations about Africa. And so, with that, let's just jump in. So, when we think about Africa, typically, there's one major myth that everyone sort of refers to, which is that it's one thing, but in reality, it is more than one thing. It is 55 countries, 1.5 billion people, and one of the most diverse regions in the world. Yes, of course, there is poverty. Poverty is about 400 million people across the continent. But Africa is not uniformly poor, right? It includes economies like the Seychelles, which is a high-income economy. It includes middle-income countries like Botswana, fast-growing urban

centers like Lagos. It is not defined by conflict, although that is something we always talk about. In many regions there is instability, but others are facing peaceful democratic transitions and improving governance. And when we say that Africa is too small to matter, the truth is Africa's economy is already \$3 trillion, and, with a population set to reach 2.5 billion by 2050, which will be the world's largest workforce, the Africa Continental Free Trade Agreement Area will also create the largest free trade area in the world. Nor is Africa just aid dependent. Last year alone, Africa attracted \$100 billion in private investment. That is on top of the \$4 trillion of institutional capital that is already sitting in the continent. Finally, it's not just about resources. Across countries in Africa, many of them, services account for 50-60 percent of the GDP. So, this is a different story, and we often make this mistake of thinking about it as monolithic, which is definitely not the case.

So, within this context, we typically think about, at BCG, Africa as operating in a 5G world. First, Generation Alpha—the population will reach 2.5 billion in 2050, and that will create a very interesting dynamic: the world's largest labor pool, but also a very cost-competitive labor pool. Costs almost a quarter of that in China, right? It'll have the youngest working-age population, a stable urban and middle class, which will grow from about 120 million now to about one billion in 2060. Second, generative AI and digital transformation. These are offering new waves of opportunity across sectors. Smartphone penetration will reach almost 90 percent by 2030, and many countries have already transitioned and leapfrogged traditional technologies. So, for example, in the Ag sector, we're seeing that 65 percent of the world's uncultivated arable land is in Africa. Third, the energy transition is calling for more demand on green minerals, on lithium, cobalt, copper, and Africa is abundant in these resources. We're seeing OEMs, battery manufacturers, energy players coming to Africa to secure new relationships and supply chains. Fourth, as global fragmentation deepens and geopolitics reshapes the world, Africa is being seen now as a non-aligned or a swing power, looking to the United States, to the European Union, to China, to the Gulf States equally, in equal measure, and playing each other off of them to get the best deal and the best relationships. And finally, the public debt crisis is already expanding, and with the Strait of Hormuz closed, the debt crisis will increase even further. And that means that for major infrastructure and large projects, public-private partnerships are going to be a critical aspect of what needs to happen.

The next five investment considerations are probably best viewed through a couple of charts. So, I'll start with this one. Africa is poised to grow. If you look at the trends, we're seeing it growing at a rate greater than the US and Europe, and in line with other emerging markets. Second, if you think about the rates of growth of investments, Africa is offering an alternative for global investors. It is a challenging environment, but, relative to the rest of the world, we're seeing greater rates of growth in the volume of private capital deals, in the value of those deals, and in the volume of exits. And this is a comparison of the rates of growth within Africa versus the rest of the world. And all of this happening while lower exposure to interest rate hikes. Third, we've analyzed just about every single deal in Africa, including bringing data from across different platforms together, as well as those that BCG itself has advised on, and we're seeing that there are a number of deals happening, and there is depth in the market, particularly in financial services and consumer, particularly in East Africa and Southern Africa. Fourth, as you look at private equity, we're finding that private equity funds are delivering outsized returns in Africa. It's really interesting. Fifteen funds have delivered greater than 15 percent. A further 14 funds have delivered more than 10 percent. So, the market is deepening, and there is a lot of reasons to have optimism into the future. As we look to the next few years, there's a few things that need to be considered. One, there's an increasing amount of dry powder in the market that's pushing pressure on increasing investment. As the energy markets mature, we're seeing the opportunity set shifting away from traditional capital-heavy infrastructure to infra-adjacent opportunities. Acquisitions of subscale operators across the sectors, whether it's in consumer or

health, are providing a new opportunity to build regional champions and integrate those regional champions into global platforms. And then finally, family-owned and founder-led middle-market businesses are a growing opportunity set. We see succession pressures, capital constraints, increasing openness to external capital, and they're seeing private equity as a growing opportunity set to bring in more capital. As we said last night, Africa is the future, and I hope that this has given you a little bit of a sense of what is out there and what we can talk about. Looking forward to this conversation, British.

British Robinson 09:14

Great. Thanks, Qahir. Thanks for setting the stage. So, to kick us off, I'm going to turn to a dear friend and former colleague, Meg. Meg, thank you for your service to our country as our former ambassador to Kenya. But Meg, you are also in a very unique role and you had a very unique background as ambassador to Kenya—and specifically, you were CEO of two major multinational corporations, and you brought that lens with you—but, I recall, when we worked together, you were one of the most vocal proponents of investment in Africa. But you also noted during your tenure that when you were CEO, you really only thought about Africa maybe 1 percent of your time. And I think you were surprised in a wonderful way around the opportunities that exist in Africa. But also, maybe you could speak a little bit to that, but also, what would you say to the CEOs here at this 5,000-person conference that are still on the sidelines that may be sort of risk-averse to investing in Africa? Kick us off, Meg. Thanks.

Meg Whitman 10:23

Sure. Well, thank you very much. Happy to be here. Yes, I was a political appointee of the Biden administration to be the US Ambassador to Kenya. I had been the CEO of Hewlett Packard and the CEO of eBay. So, I came with a business background, and, British, you're exactly right, when I was the CEO of those two major companies, I thought about Africa 1 percent of the time. Lots going on in the US, Europe, Latin America, Asia, and I was quite surprised to come to Africa and see how much potential there was. And the thing that struck me first and foremost, which you mentioned, was, in 2050, one in four people on Earth are going to live on the African continent. One in three working-age people are going to live on the African continent. And that's just in 25 short years. So, as a businessperson, what I figured out was we needed to tell that story, because you can't show up in 2045 hoping you're going to be a player on the continent in 2050. So, it's a very young population, and I saw it in the end as, in many ways, the last and largest emerging market, the last big supply chain opportunity, and then the last big consumer prospects. And I saw the dawn of Southeast Asia 20 years ago, and it reminds me of the potential that Southeast Asia had 20 years ago. And, in many of these countries, and it is not a monolith, there is a very young, very—they're ambitious people, they're entrepreneurs, they want opportunities. And, so, I thought it was a tremendous opportunity for manufacturing, for health tech, for fintech, for fish tech. And, so, I decided that what we needed to do was tell the story, the narrative of Africa, and change some of the myths that you described earlier. So, we created a presentation with the president of Kenya and took it on the road. And similar to this topic, it was "Why Africa? Why Kenya?" So, I became a very vocal advocate, I think for very good reasons.

British Robinson 12:31

Thanks, Meg. Ethiopis, I want to turn to you. At the World Bank Group, you've been absolutely innovative, but also critical into providing confidence and diligence that supports those commercial opportunities that Meg was just speaking to, and would love for you to take a minute and comment on anything on the setup, but also talk to us a little bit about your portfolio of investments and where are you seeing the strongest risk-adjusted returns across Africa, infrastructure, financial services, digital, energy, manufacturing, as Meg just mentioned. Thanks.

Ethiopis Tafara 13:10

Sure. Thanks, British. So, for me, the place I'd like to start is the perception of risk in Africa, and I think the gap between perception and reality is—precisely, we at the IFC and the World Bank Group and our peers rely on evidence rather than anecdotes. So, through our Global Emerging Markets Risk database, or GEMS as it's known, which is a consortium of about 30 multilateral institutions and DFIs pulling together more than 40 years of data looking at default and recovery rates, we replace perceived risk with measured risk, and the findings are somewhat unambiguous. So, private sector lending across emerging markets average default rates at roughly 3.5 percent, which is comparable to B-rated companies in developed economies. The average recovery rates are around 73 percent, outperforming global benchmarks across both loans and bonds, and, most notably, sub-Saharan Africa combines higher measured default rates with highest recovery rates globally at 78 percent, resulting in among the lowest loss given default. And, in practical terms, the downside risk in Africa is then overpriced. And there's a second insight from the data that's particularly important to institutional investors: well-structured private and project finance transactions routinely perform above sovereign risk. Projects with predictable cash flows, strong contractual frameworks, and sound governance frequently decouple from country ratings. And sovereign ratings remain useful signals, but they're blunt instruments for pricing project-level risk. And then GEMS, this database, reveals something that's counterintuitive. During periods of global stress, defaults in MDB-backed emerging market portfolios are lower than those observed in advanced market corporates, and this underscores both the diversification benefits of emerging market exposure and the value of partnering with institutions that help structure risk appropriately. Now, in terms of portfolios, the most consistent risk-adjusted performance we see is concentrated in sectors anchored in real assets and essential services. Financial institutions show the lowest default rates, around 2.3 percent, and recovery rates around 80 percent, reflecting stronger regulation and diversified balance sheets. Power grids and digital infrastructure benefit from longer tenor contracts and asset-backed cash flows that remain resilient under stress. And then we look at transport, telecoms, and logistic assets, which similarly demonstrate strong recovery outcomes tied directly to Africa's physical and digital backbone. The bottom line for me is pretty straightforward. Africa is not a blind bet. It is a data-rich, consistently mispriced opportunity.

British Robinson 16:17

Thank you, Ethiopis. Runa, I'm going to turn to you now. You have a very long history of investing on the continent and winning. I think we want you to pull the thread a little bit on what's been said thus far. Maybe you can share a little bit of your model for investing on the continent. Where have you seen the

greatest successes and the greatest returns, and what's most exciting for you right now when we think about investing on the continent?

Runa Alam 16:44

Thank you. So, Meg, you said what our business model is. And the good news is—you're right, I've been investing for 28 years in Africa, 20 years with DPI, which is a Pan-African private equity fund, and really what we're investing in is Africans themselves. So, back then, it was—people here thought that Africa was all about extractive industries, but, in fact, McKinsey did a study even in 2004 and '05 that showed consumer-facing companies were growing much faster. So, it's our basic model. We called it Invest in Companies that Benefit from the Emerging Middle Class in fund one. Then, there were so many of them, we just said, "middle class, no longer emerging." By fund three, we were saying "the African consumer," and, going forward, because of digitalization and AI, it is all Africans, because with digitalization and AI, which we put in throughout our PE portfolio, it's cheaper to acquire a consumer and it's cheaper to get goods to them. So, you can go up and down the income pyramid, and there's so many more customers for our company. So, the first thing is consumer-facing companies. So, they can be banks, fintech, agribusiness—billion dollars of healthcare investments across Africa over the last 19 years—universities, and lots of FMCG, manufacturing, agribusiness, et cetera. That's what we invest in. The rest of it is really doing basic PE diversification. We can invest throughout the continent, and that's what I would always want to do. So, we can be in different regions depending on how regions are doing, how countries are doing. We diversify in defensive companies or companies that do well with inflation. We diversify throughout the continent based on currencies, which is actually one of the biggest risks in Africa, and then key things are, just like any private equity, find the best management teams, find the best companies. One thing that we do—because we raised our first fund during just around the financial crisis, in 2008, we had our first closing of fund one—and so we, from the beginning, invest only in Africa's blue-chip, large, growing companies—and, so, these are profitable companies, but are companies that are growing very fast, we can have, even in that sector, companies that are growing up to 100 percent a year—but buy them so our typical entry multiple EV/EBITDA is between seven and 10, and maybe a little higher for some tech companies, 11, which is so much lower than here in the US, Europe, elsewhere in the world. So, really our model is the best companies, the best management teams, buy them inexpensively, do all the PE model, PE 101, and focus on the African consumer.

British Robinson 19:50

Thanks, Runa. So, I'm going to sort of bring it back to the macro. Samaila, you lead the AFC, the Africa Finance Corporation, and you're a leader in investing in infrastructure projects, which we've all touched on. Maybe tell us a little bit about the work that you do, but also how can US investors co-invest with the AFC? I think it's a little-known fact that that is a capability and a facility that you offer. Thanks.

Samaila Zubairu 20:18

So, thanks for being here. I would like to start by thanking Mike Milken, you, the leadership team for putting Africa on the agenda for global investor conversations. Thank you for your friendship. And I like

the subject, "Why Africa? Why now?" My simple answer to that is: convergence. Convergence of what Qahir just described, the demographic, which really is demand; technology adoption, which he mentioned as Gen Alpha; I would say also infrastructure gaps, which we focus on; and also, the fact that Africans themselves are right now building. Africans are the main, African institutions, African capital, they're building the future now. So, that for me is the reason why this is a very important conversation, and it also speaks to potential areas of partnership. I say that because Africa has always been described as a continent of potential, a continent where progress might happen eventually when conditions are right. I'm saying that that's not the case. Africans right now are building, building their future now. And, when I talk of technology adoption, it's in a very broad range. So, from heavy industry like refining, fertilizer, where the largest refining is being built right now in Africa—the largest fertilizer platform is being built in Africa—as well as, you'd be surprised, the largest ChatGPT internet users are in Africa. You'd be surprised that stablecoin has been significantly adopted in Nigeria. Between '23 and '24, there was over \$22 billion of trade with stablecoins. And this is because of need. This is because we have vast continent. We need payment solutions. We need all of this, which technology has made possible. So, for me, the area of partnership is an area where we have focused a lot on, which is infrastructure, infrastructure buildout. We invest, on average, \$2 billion every year in energy, transport and logistics, metals and mining, and several areas. Last year, we were able to invest up to \$4 billion. So that's clearly scale, potential for partnership. Qahir mentioned \$4 trillion of domestic capital pools on the continent. Our research revealed that we have over a trillion dollars in pensions and insurance funds on the continent. So, a potential area for partnership is intermediation. So, the US has systems and technology for intermediation that we can partner with. We are building several platforms. We're building rail corridors, we're building economic corridors, all of which are potential areas. So, if you are interested in energy security, supply chain resilience, critical minerals, it means that your future is already linked to Africa, whether you know it or not. And the question is: Are you resilient? Have you intentionally built resilience, or it's just happenstance? So, I think the areas for partnership are in how to build reliable, resilient supply chains, how to work together on structured intermediation, how to work together on building technology platforms. So, we are building a digital free zone right now in Lagos. It's on the back of our earlier experience building a fiber optic cable from Portugal into West Africa that enabled the emergence of several African unicorns. Right now, we think that we need to create an ecosystems on the continent for these technology firms to thrive. We have to support them with a fund. We have a \$100 million technology fund that we hope to scale. We discussed with Mike Milken in Abu Dhabi last year about potential partnership. So, these are potential areas that we can all work together. So, in the main, we have several things that we do. We are focused on building Africa's infrastructure today, not tomorrow. We are focused on ensuring that African institutions, African capital builds the future, and we're open to partnership.

British Robinson 25:11

Thank you, Samaila. So, there's so many exciting things going on, and I think the one space folks are not really maybe up to speed on, even less so than the broader macro investment opportunities, is the venture capital space, the early-stage startups, the really exciting things some of the young entrepreneurs are doing. And Courtney, you and your team at 500 Global have really been leading the way. We saw venture capital in Africa actually rebound in 2025. So, we're pretty excited about that, and I'd love for you to just take a minute to give us a sense of the VC space now in Africa and what you're excited about. Thanks.

Courtney Powell 25:53

Yes, of course. It's hard to narrow down the topics when we start talking about entrepreneurs and what we're excited about. But we actually made our first investment on the continent in 2013, and, 13 years later, we only now have more conviction and more proof about the incredible entrepreneurs that exist. I think it is often felt that in nascent and emerging markets a lot of the upside is going to come potentially from local solutions being created or markets being more deeply understood by local entrepreneurs rather than global entrepreneurs. And that certainly can be the case, but some of our most exciting exits across the 3,000 portfolio companies we have and the 90 countries that we invested came from the continent. I was reminded last night of two Egyptian entrepreneurs who started a voice model, an AI voice model, about two years ago. And within 15 months, the company, which is called Play.AI, was acquired by Meta for a very substantial, over eight-figure, acquisition, which for us is one of our best-performing investments. So, today, when we think about our next decade of investing across the continent, venture capital is going to continue to be a core thesis for us. We believe that there's a lot of sector opportunities within energy transition, climate, AgTech. Fintech has continued to be really exciting for us across the continent. But we're also now coming into this next decade realizing that, to Samaila's point, it cannot be just venture capital building the ecosystem for these private companies to really thrive and become global success stories. So, more and more, we're partnering with governments, with foundations, creating blended finance capacities and public-private partnerships to be able to bring much more awareness and greater capital when we're focused on creating new sectors. So, certainly lots of excitement continues to be across all the sectors we all know about in venture capital. We don't believe that there's enough capital yet. Actually, still, at the early stage, we need to see more companies being created, more risk-forward capital coming into the continent. But, at the same time, there's still a lot of work to be done, that all of us on this stage are doing, to create the enabling environment to bring in more private investment. So, we're quite excited continuing the journey of investing across the continent, but still lots of work to do.

British Robinson 28:45

Thanks, Courtney. I think I just want to pull on the string around bringing in more capital. I think the one thing we don't realize is the critical nature of local capital. And I'd actually like Ethiopia, and then perhaps Samaila, just to speak to that, how important that is and where you're seeing excitement. That is so attractive for US and European investors, and I want to make sure we don't end this panel without raising this very important point, that Africa has resources. Could you speak to that, Ethiopia?

Ethiopia Tafara 29:17

Sure. Samaila touched upon it. We've just done a mapping at the IFC of sovereign wealth funds, pension funds, and other institutional investors, and it turns out that there's about two trillion under management. Most of it invested outside of Africa, right? A small percentage in Africa. And we're about to hold a conference at the end of June inviting all of them for a discussion about allocating a little bit more to Africa—even if it is not all of it, 20 percent, 30 percent would make a huge, huge difference, right?—and get them to invest both at the project level, but also on a portfolio basis. And we're putting together this program we're calling Originate to Distribute. So, we're going to originate a lot of projects, pool them, and

then distribute them to institutional investors. So, that's the thinking. And what we're going to do is we're going to give them our track record, and the track record of others, to demonstrate it's not as scary as you think. You can actually do relatively well. So, I think this is a big issue and a very important part of our mandate to actually mobilize more of this local capital into opportunities in infrastructure and otherwise on the continent. The other thing that we're doing, which is consistent with what you've heard from Courtney, is we've put together this initiative, which we're calling the "Local Champions Initiative," where we're looking to finance companies, local entrepreneurs, that provide solutions to the challenges on the continent. And we have mapped 2,500 potential local champions across the continent. We've filtered it down against our investment criteria to about 500, and some—111 of them we're providing technical assistance to, and on our way to financing a particular group. But we see it as a very important part of our mandate to take these local champions, turn them into national champions, and then why not continental champions, and then beyond. Little known fact, for example, is that the IFC, I think it was in the '70s—well, let me step back. The HDFC, the Housing Development Finance Corporation in India, the fourth largest financial institution in the world today, okay? They were solving a problem at the time, in the '70s, and we made a small equity investment that helped them grow. Now, we got out a long time ago, but this is more of the thing we need to do, right? And we do a lot of debt financing, which is important, but in my view, equity financing is probably the most important thing we can do. Because, on the continent, what we really need to do is not simply run companies, which is what you would do with debt, but build companies, which is what you do with equity.

British Robinson 32:32

Yeah. Well said. Samaila, did you want to jump in on that?

Samaila Zubairu 32:35

Yes. So, a couple of points, just to build on the foundation that has been laid. So, when we did the research of Africa's domestic capital pools, it was \$4 trillion, and that was last year. This year, we've updated the research, and it's \$4.4 trillion. So, what that means is that it's growing, and it's growing at a very fast pace. But most of it is invested, like Ethiopis mentioned, outside the continent, and on the continent in short-dated government paper, which is not efficient considering the high cost and the fact that they need to refinance all the time. So, the governments themselves are not getting efficient borrowing costs, and the investors are losing value to inflation. So, the opportunity really is how to mobilize that capital at scale for investments in productive assets that create jobs. And we're doing that from two tracks. First is we're having a series of talks with the pension managers for them to understand they're not really adding value if the pensioners' savings would be spent on taking care of the pensioners' children in future, when that money could have been used to create jobs for the future. So, I think that's a very important message. The pension managers have to go beyond managing for safety and liquidity to managing for the future and ensuring that they are investing in infrastructure and industry that creates job for the future. That's one. The second thing is to also meet the pensioners or the pension managers halfway by providing them, I would say, investment-grade guarantees for them to deploy capital into productive areas of the economy. And there, what we're thinking of there is to leverage our investment grade rating and our track record, like Ethiopis mentioned. So, we have loan loss ratio of 27 percent. So, the data he revealed in the

beginning of the GEMS database is consistent with our experience. So, we want to leverage that as proof that Africa is not as risky. Secondly, we had invested in a company called InfraCredit, which provides investment-grade guarantees for pension funds to invest in infrastructure in Africa, and there has been no call on any of the guarantees, and we're scaling that into East Africa today. So, this demonstrate evidence that you can invest in productive, long-term assets, and you need to do it now. So, the emphasis is—I would like to continue the conversations we started with Ethiopis last year when we met at—was it early this year we met in Cape Town?

Ethiopis Tafara 35:37

I was still at MIGA when we first met, right? So, it was a couple years ago.

Samaila Zubairu 35:41

Okay. Yeah, you were at MIGA. But we had a conversation around a partnership with you, Makhtar, to build this guarantee program, and, more recently, we've had that conversation with President Sidi of AfDB to build an African liquidity guarantee program that will ensure that we can mobilize funds for equity investments. Because building the future is equity. Running is debt, and we need to ensure that we can build a pool of \$20 billion, for example, to invest in equity going forward. And that is important because we also have to change the model that we see in Africa. So, a lot of the risk that we talk about, a lot of the poverty that was mentioned earlier, is because we have a model that is very extractive. We are focusing on exporting raw materials, exporting the opportunity to create jobs by processing those raw materials, and importing inflation. So, that has to change, and you need capital, specifically for equity investment, for that change to happen. And we believe that with this African capital that exists and is growing, we can make that change.

British Robinson 36:52

Right. Thank you. It's a critical point also to draw in investors, whether it's debt or equity, and Meg did one of the most incredible jobs of doing that. So, Meg, you had a roadshow here in the US, in New York, San Francisco, Los Angeles. We have incredible stories, which we won't share with you. But Meg, you also reversed that. One of the things is the US investor has to see it with their own eyes, and you brought so many companies to Kenya. You had some best bets in some sectors. So, maybe you could pull the thread a little bit on how we draw folks in and, sort of, seeing it for themselves. Can you share your best bets and how that worked? Thanks.

Meg Whitman 37:37

Sure. So, I agree with the two of you that there has to be African capital for Africa, but there also needs to be a huge investment from foreigners. Because, just for Kenya, just to give you the perspective on how

many jobs are needed, Kenya has 55 million people today, on its way to 100 million people by 2050. There are a million new 18-year-olds every single year, and they are underemployed, and the president of Kenya once said to me, "Nothing more dangerous than unemployed young men." And, so, we really have to think about foreign direct investment as a complement to African finances for Africa. And I think the narrative needs to be very simple. For Kenya, it was: you must diversify your supply chain. If you are dependent on China, the South China Sea, Bangladesh, Sri Lanka, and you have not thought about Africa, you are going to be in a situation that's going to put your company in jeopardy. We all know what happened when Russia invaded Ukraine. When I was at HP, we were asked to get out of Russia. Okay, we could get out of Russia. If you'd asked us to get out of China—no way. And, so, we had to diversify the supply chain. So, that was point number one. And, for Kenya, go to a country which has 93 percent green energy and get to your Scope 2, Scope 3 emissions goals, which contrary to popular opinion, is still important. So, the idea of diversifying your supply chain into a country with green energy was enough to get them interested to get them to Kenya. And, whether it was some of the big manufacturers of apparel who needed to diversify from the South China Sea and Sri Lanka—I remember talking to one of the biggest apparel manufacturers in the world, and, back to what Runa said, they'd come to Kenya, they'd hired 25,000 people in two years, and they said, "Meg, this is the best workforce we have in the world." And, so, that's the kind of thing that we needed to do. And whether that was technology with Microsoft, IBM, Google—Startup Nation, honestly, Startup Nation, we all refer to Israel. Startup Nation is actually Kenya, has the number one destination for venture capital on the continent, ahead of Egypt, ahead of South Africa, and ahead of Nigeria. So, there's lots of stories to tell. You have to tell those stories, but you've got to anchor it in what's in it for you. And, so, we just went to all the big companies and made that pitch and it's working. It is.

British Robinson 40:09

Yes, absolutely. What a legacy you've left behind, Meg.

Meg Whitman 40:12

Well—

British Robinson 40:13

—Pretty incredible—

Meg Whitman 40:13

—The other thing is, because we're here in LA, is the creative economy.

British Robinson 40:16

That's right.

Meg Whitman 40:16

Right. So, the NBA is moving to Africa. They're raising money for, I think, seven or eight African NBA teams. The Nairobi Thunder, which I'm personally passionate about. Grammys has now headquartered in Kenya. And the creative economy is a big opportunity, along with technology. And you mentioned homegrown, I mean, M-PESA is a remarkable success story. Homegrown in Kenya, now well over a billion dollars in revenue, processing \$300 billion in gross merchandise value. And, by the way—and 11 countries outside of Kenya—what percentage of those countries' GDP goes through M-PESA, the largest mobile wallet in the world? 70 percent of the GDP of Kenya and Tanzania go through M-PESA. So, that was a homegrown, African-grown startup that has a very different business model than the credit cards. And those are the kinds of things that we really need to make sure that the big tech companies in America understand.

British Robinson 41:18

Absolutely. Runa, I want to turn to you on the institutional investor side. You've been very successful in working with institutional investors, and I think we just want to hear a little bit about your process, your modeling. There are a lot of institutional investors here at the Milken Institute, makes up a significant part of our partners, supporters, and sponsors, but many of those folks, unfortunately, Runa, are still on the sidelines. They have not stepped over and invested fully on the continent, and I'd like you to make the best case, because you've done such a good job of it for almost 30 years.

Runa Alam 41:55

Yep. So, even here in the US, many pension funds, institutional investors, want to see a fund through various cycles. So, watching them through fund one, two—and maybe three, they invest. It's no different in Africa, except it's much longer. So, some of the investors we've been talking to for 15 years are now coming in or really serious about investing, but what I want to say is—answer the question: "Why Africa? Why now?" which is what we talk to institutional investors about. The first one is, what I've already referred to, you cannot ignore the huge consumer market—not so much saying, "why does Africa need money from here?"—why are we not there making money? That's what China's doing, right? So, they're there for the consumer. When 40 percent of the world's population will be in Africa by the turn of the century, when, this year, according to the World Bank, Africa's going to have a higher GDP growth than Asia, and that's projected all the way through 2030 with a widening gap, when urbanization—13 out of the 30 largest cities by 2050 will be in Africa. Lagos is meant to be the largest city. Urban dwellers consume more, and the income is growing, and you have on top of that the great oomph that digitalization and AI puts in, in any company, if you do it correctly. So, one of our companies was handwriting microcredit loans seven years ago, leasing the three-wheelers, tuk-tuks. With digital, they have tens of millions of customers. They've become a unicorn, as a PE company, not a VC, trending towards about 1.7 billion in few short

years.

Runa Alam 43:47

So, the power of the consumer is number one. Two is because it's Africa's PE, we not only think micro, which is the company and looking at it, but macro. We talk to economists all the time. What we've seen is their 12-to-15-year cycles, dollar goes up, EM currencies, including Africa currencies, go down. Last year was meant to be the last year of currencies going down in Africa. Dollar is depreciating, although there's some volatility there. So, from last year, we saw a new cycle, and this is the right time to invest. As predicted, all of a sudden, after over a decade, the stock markets went up in Africa, some 50 percent to 64 percent, the biggest stock markets. Many of the currencies actually went up against the dollar. They appreciated up to 10 percent, 14 percent. We had an enormous amount of new energy in the financial markets with IPOs, et cetera. So, this is the time to ride. We're dollar investors, so it's the right time to be a dollar investor and ride up the currencies. That's the second reason. The third reason is what I referred to before. When we take our CEOs to Africa—so, when we take the pension funds to Africa. So, some of them come during due diligence, some of them meet our CEOs during our AGMs after they've invested. You see the eyes opening up. There are extraordinary managers and extraordinary companies in Africa, and, as I said before, the valuation is very low compared to the rest of the world. That's one advantage investors going in now have, perception versus the reality means that the values are down. So, for those three reasons, and many more, I think it's the right time to go right now into Africa. And, actually, what I'm seeing is the investors I was talking to, even the last cycle, all of a sudden they are actually looking. So, something's changed, and, so, I do think there's going to be more money coming into Africa, especially from the US, but I will say also from the Middle East, from the Far East, where we're getting a lot of interest, and from Europe also.

British Robinson 46:06

Thanks, Runa. Courtney, I'll have you just pick up on—we've seen a number of unicorns in Africa. We're seeing significant investment in the tech space. Maybe you can sort of pull the thread a little bit on where Runa left off, on where that opportunity is, but maybe drill down a little bit more on how they can invest with many of the folks that you've invested in. I think that's important.

Courtney Powell 46:28

Sure. Well, I'd also like to follow up on what you were saying about where the capital and where the interest is really coming from on the continent. While I do think there is increasing interest from US commercial venture capitalists on the continent, and that is growing year over year, on our vantage point, as a global investor across so many countries, the Middle Eastern, the Japanese, the Korean interest on bringing venture capital to the continent has grown substantially in the past three years. And I think that's something we really need to lean into as we think about financing the innovation across the continent. We shouldn't just look to the US. There's great opportunity to have a lot of bilateral relationships that are going to fund this next decade of growth. Now, I think one of the things that's really important, and maybe echoing why having local co-investors is really critical, it is a market where you want to be bringing your

capital for the first time with the appropriate eye on what your return profile and timeline is going to be, and also having done your diligence by investing alongside other local investors who really know the market dynamics and when the technology is going to really create an extraordinary advantage, right? So, I think that's something that's really important to consider. The other thing I wanted to mention, that we've really seen over our first decade of investing, is the need for there to be all types of capital that are actually working in coordination. So, if you think about the opportunity stack, the capital stack that has to be deployed when you're creating a new sector, there's room for that risky venture capital, but there's also going to be a requirement for catalytic capital really sitting alongside that. And, even now, we're seeing actually more philanthropic capital coming in, but playing slightly smarter game perhaps than what was done over the last decade. And that coordination is really important because, in order for commercial investors to come in and be a sustainable player, you have to recognize some of the challenges, answer some of the regulatory issues that still exist, answer some of the exit opportunities that need to be created more and more. And, today, you can only do that in partnership with different types of capital. So, I wanted to bring that up as a real key, in my view, on how this next decade of innovation gets funded.

British Robinson 49:06

I think that's spot on. Qahir, I want to have you jump in. You presented some compelling data, but what else are we missing? Maybe you can respond to some of the comments here. Thanks.

Qahir Dhanani 49:16

Yeah. I think that there's two or three things that we should consider, and I think Ethiopis and Samaila touched on these. There is the risk perception problem, right? And it doesn't match the reality on the ground. That's a message that everyone should walk away with, right? We've done analysis looking at a similar project in South Africa and in Brazil, okay? Similar country risk rating, similar type of project, and yet the South African project will pay 500 basis points more, right? There is a perception problem, and I think that we have to work hard with the rating agencies, which have only five offices across all of Africa, to understand and to set the country risk ratings. And I think Ethiopis also mentioned that the GEMs database shows that individual investments outperform the sovereign ratings, but yet they're capped at the sovereign ratings. So, I think that there needs to be a recalibration of how we think about risk ratings for countries, and that's something we haven't yet talked about. The other thing that, picking up on what Courtney was saying about the capital stack, I think there's a lot of innovation that we can do in the capital stack. The ability to bring in more private capital means using concessionality very judiciously, but using it in a way that changes the way in which the deals get done. Not to rip on the World Bank, but I will because I was formerly at the World Bank—the incentive structures in big institutions is take big deals to the board, okay? The incentive structure needs to shift to take the smallest deal to the board with the highest level of private capital, right? So, same size, but just shift the incentives. I think that changing the context will change the behavior. Changing the incentives will change the behavior in how we do some of these things.

Courtney Powell 51:18

Actually, can I quickly follow up on that point?

British Robinson 51:20

Please.

Courtney Powell 51:21

As you know, we raise capital full time, right? And it always surprises me that—we just heard this past week on the continent how really the KPIs are set to fund local fund managers, and I'm like, "but we need foreign capital coming into the continent." At what point can we realign these incentives to be able to bring in more capital? And I think that's a point, really looking at some of the incentive structures to be able to ensure we're going to be able to do that.

British Robinson 51:52

Absolutely. Ethiopis, you want to respond?

Ethiopis Tafara 51:54

That was a poke.

British Robinson 51:55

It was a poke.

Ethiopis Tafara 51:56

It was a little poke, but I happen to agree with him. As a matter of fact, when I first started this job a year ago, or before that actually, I sat down with the directors reporting to the VP to have a conversation, and all of them to a person came to me and said, "We're really concerned by the volume targets we have." Because, what ends up happening, by virtue of having volume targets, is we pursue the biggest transactions in the biggest markets, sometimes at the expense of smaller transactions. Smaller markets, big impact, right? So, one of the things we've been doing over the course of the past year is I've developed a set of impact targets to sit alongside our volume targets, right? M300 is an impact target. Deciding that we're going to close the gap of 600 million people without electricity to 300 million people is an impact target. And thought—let's do that across different sectors. And it does change behaviors. You start

thinking about the transactions you undertake in function of am I going to close that gap, not am I going to hit a particular volume, right? And, interestingly enough, we sat down with the President not too long ago, and he came and said, "I'm not impressed by your volume targets." He said, "I'm far more interested in impact." He said, "The only volume target I'm interested in is private capital mobilization. So, use your own accounts to incentivize or to actually mobilize more private capital into transactions." So—

British Robinson 53:15

—Well, that's great news, Ethiopis. We're thrilled to hear that, and that follows on Meg's point. Meg, I'm going to shift to you, and we're going to get to a—

Samaila Zubairu 53:22

—Maybe just one quick point before we close that subject—

British Robinson 53:25

—Sure.

Samaila Zubairu 53:25

So, that has always been the model for us, mobilizing private capital. So, an accident turns into a business model. So, Africa doesn't have much capital, but it has significant opportunities, and once you can demonstrate that those opportunities work, you can mobilize capital on the back of those. So, we have built our business on mobilizing private capital to work alongside us. So, at any point in time, we're able to attract four to six times every dollar that we invest. And it's infrastructure in—mainly infrastructure is what we do. So, I think that it's good that everybody now has this as a target. And I think that if we can be more granular in maybe areas like project development, for example, which is the risk capital that's required to build, if we can be granular around financial institutions, for example, because you need them to be able to increase the scale of capital that's mobilized in the economy, I think we'll see a lot of growth in African economies. And, to the point raised, we need several pools of capital to work together to grow the economy.

Runa Alam 54:51

British, could I quickly comment on that? I've been waiting for such a long time for African pools of capital to develop, and we are there, and it's been organic. The reason it hadn't happened before isn't just economics, it's also because there was regulation against pension funds investing in anything but government securities, and then listed, and now alternatives, and then building up the expertise. So, this is

organic. But the reason it's really important is because if you look at the rest of the world, you go to LATAM, pension funds in the US will only invest if local money invests. And we haven't had that. We do now. But I will throw out a challenge to anybody—hopefully we'll go from here elsewhere, too. The biggest thing we need to get US capital to Africa is to have the consultants, who are the gatekeepers to pension funds, really put in the time to learn about Africa. We haven't had enough pools of structures, private equity, venture capital, for the clients, the pension funds, to say, "We want you to look at that." But we're getting there, and that's what we need to change to really get pools of capital there.

British Robinson 56:06

Thanks, Runa. So, I'm going to bring this back and try to wrap it up. Meg, I'm going to lead off with you, and we're going to do a bit of a lightning round. So, Meg, one of the things you tried to do was change perception, and that's something everyone has spoken to today. I do want to give you a word on that because, again, of all the panelists, you sit in a very unique place given your background. So, perception, how do we change that? And then, Meg, this is to you and everyone, if you were to put a marker down and you had a billion dollars to deploy a year from now, what are your best bets? What would you invest in, and how would you invest?

Meg Whitman 56:39

In Africa?

British Robinson 56:41

In Africa.

Meg Whitman 56:41

Okay. Yeah. So, I think it depends on which country you're talking about, because—I'll end where Qahir started—these countries are very different. And, so, you've got to figure out, first of all, which one, two or three, four countries do you really want to focus on, and then what is their competitive advantage versus the rest of the world? Because capital is competitive, right? It can go anywhere, and today it can go anywhere faster than ever before. So, what are the really important sectors? And since Kenya is what I know the best, I would say fintech, I would say agritech, I would say advanced manufacturing, and the creative economy.

British Robinson 57:23

Runa?

Runa Alam 57:24

Well, I already invest, so I would keep doing more than what I'm doing. But what I would say is that I'd keep my eye on the opportunity, in any investment, any company, to add a digital overlay to it, an AI overlay to it. Because Africa has very little legacy, so you don't have to fight with bureaucracy and this and that. You can do it. It has a very young, tech-savvy population. It's off the phone. And, so, that, to me, is the biggest opportunity. And, I would also say, because my background is development economics, that it's also the path for development, full stop, for Africa and elsewhere.

British Robinson 58:04

Qahir?

Qahir Dhanani 58:06

I think it's going to be agriculture. And the reason for that is that 65 percent of the world's uncultivated arable land is in Africa. We have a food crisis in the world, and I think that investing in that will also overcome the need to create 800 million jobs for that 1.2 billion people coming into the sector, and doing it in a way that overlays with AI, and regenerative practices that supports climate.

British Robinson 58:33

Courtney?

Courtney Powell 58:34

As a commercial investor, I would still say that it's fintech. If I were a government, I would put a billion dollars into really—AI education. Yeah.

British Robinson 58:44

Wow. Thank you. Ethiopis.

Ethiopis Tafara 58:47

I'll start off where Ambassador Whitman did. I look at the demographics, 70 percent of the population under the age of 30, 50 percent under the age of 15. It's a challenge, but it's also an opportunity. So, I'd be focused on job creation. And given that I'd focus on job creation, I'd look at the enablers of job creation, energy, M300 being the flagship for us. Then I'd look at transport and logistics and digital because, when you're creating jobs, you have to connect people and businesses to markets and markets to markets. That's physical infrastructure and digital infrastructure. After that, I'd focus on agriculture for the reasons that Qahir mentioned, but also because 85 percent of the food in Africa is imported. Makes no sense whatsoever, right? And then financial services, in large part because we have a whole bunch of SMEs, what I call the missing middle, that don't benefit from credit, right? The big ones do, the really small ones get microfinance, but this missing middle—cash-based businesses are not being served by banks, and we need to figure out how to get them served with non-bank financial institutions. And then tourism, people forget tourism. Every dollar in tourism creates more jobs than in any other sector. And given the physical assets, cultural assets that you have on the continent, and there's only 5 percent of international arrivals in Africa—5 percent, okay? Huge opportunity. And then, finally, the creative industries. I agree with Ambassador Whitman. We're working in fashion. We're looking at music and art, and theater, but we're also working on the sports industry. And we're going to be making a big announcement in a couple of weeks, so stay tuned.

British Robinson 01:00:21

Can't wait for the announcement. Thank you for bringing up that piece. Most people don't know the tourism industry is about 8 to 12 percent of some of these GDPs. It's pretty significant. Meg, do you have any last—another sector you want to add to before I turn to Samaila to close us out?

Meg Whitman 01:00:36

Well, I should have mentioned tourism, right? Tourism could be double the size that it is, and it's a remarkably big opportunity.

British Robinson 01:00:44

Absolutely. Samaila?

Samaila Zubairu 01:00:46

So, we're an infrastructure bank, so we'll continue to invest in infrastructure, infrastructure that would build industries that create jobs. I think jobs are our biggest challenge on the continent, and we have to focus on what to do to create more jobs, and it's in capturing and retaining more value on the continent. It's in building the supply chains, making them more resilient. It's in building out Lobito Corridor, the battery minerals value chain there. It's in building out the critical minerals supply chain that makes supply

chains more resilient, focusing on energy investments, in the main, focusing on an understanding that Africa is fast urbanizing, so we're going to build several cities, and that by itself is demand. So, if you think of the amount of steel that are required to construct Africa, the amount of aluminum required for transmission lines, the amount of copper required for electrification, all of that are the things that we should focus on, and that will create jobs not for today, but for the future as well.

British Robinson 01:01:49

Great. Well, thank you all. Please join me in thanking our wonderful panel.

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