GCP SOLAR POWERED BY NOKERO

Sidney Yankson (CEO, GCP Solar) meets with Tony O Elumelu Foundation

In April 2014, the GCP Solar CEO Sidney Yankson had a meeting with the Tony O Elumelu Foundation to discuss the opportunities for investment in the Sub-Saharan continent.

Both GCP Solar and the Tony Elumelu Foundation recognise that investment is integral to Africa's growth and development in ways that charity and aid cannot. Through investments in employment, wealth creating and economic growth, this will encourage Africa's entrepreneurship and enhance business.

Sidney Yankson commented on his meeting with the Foundation, "It was great to meet with Dr. Boer and the rest of the team at the Tony Elumelu Foundation at the conference in Lagos earlier this year. They are one of the leaders in their space and real champions of SME businesses in Africa. GCP will be happy to work with the Foundation when the time is right for both parties."

Standard Chartered has increased its commitment to Power Africa by more than double to US$5Billion

From 4-6 August 2014, Barack Obama hosted the U.S-Africa Leaders summit at the White House. Obama's 'Power Africa' campaign was initiated in July 2013 whereby Standard Chartered originally pledged US$2 billion.

On 30 July 2014, Standard Chartered is now the most sizeable private sector partner in the 'Power Africa' Campaign with their investment increasing to US$5 billion.

The governments of Ghana, Tanzania, Kenya, Nigeria, Ethiopia and Liberia and a group of private-sector firms are contributing to the initiative to enhance access to clean, reliable power in Africa. Ultimately, they hope to deliver electricity to more than 20 million new households and companies by 2018.

Peter Sands, the Group Chief Executive of Standard Charter commented that with their, 'extended commitment to the "Power Africa" initiative we expect to add around 7,500 megawatts to Africa's power grid – equivalent to the electricity production capacity of

Nigeria and Cote d'Ivoire'.

However, this will only positively affect those who reside within power grid areas. Subsequently, those in off-grid lighting areas will not receive the same access to safe and sustainable lighting.

Sidney Yankson (CEO, GCP Solar) commented that, "GCP Solar is currently working on tackling the same problems from the ground up. Our solar light bulb distribution strategy focuses on the off grid communities that even Power Africa will not reach.

As most people know, the physical continent of Africa is larger than the landmass of the USA, China, Japan and India combined. That's an awful lot of space. It sometimes doesn't make economic sense for governments to put up overhead power lines to a village of 20 people 200 miles away from the source of electricity. There in lies the problem.

I've been in Accra, Lagos and Maputo and experienced power cuts myself. Therefore GCP believes it will be many years before there is a constant supply of electricity to the majority of the cities and the rural communities in Africa."

Why Impact Investments will ensure a brighter future for Africa

Identifying the worlds most pressing issues can be a challenge. At GCP Solar we focus on providing safe and sustainable light solutions to the 400 million people living in Africa without light. The Head of Impact Investing Initiatives at the World Economic Forum (May 2014), Abigail Noble discussed the challenges of impact investments. Currently the average private equity deal is around US$36m and the average investment impact deal is around US$2m. For private equity firms to fully engage in impact investing it costs more to do. There is the bottom line measuring their fiscal performance financial profit, and then the second bottom line measuring the performance in the terms of positive social impact. Moreover, as the size of the deal is smaller, more consideration is needed in the terms of fee structures and due diligence.

Should impact investors anticipate market returns? Yes – a range of returns can be expected such as patient capital, whereby an investor will be willing to make a financial investment in a business with no expectation of turning a quick profit, substantial rewards will come further down the road. The Acumen Fund, a non-profit global venture fund that uses entrepreneurial approaches to solve the problems of poverty, are cautious about stating that they're opting for the long-view, some investors only make 0-1% returns. These investors need to consider their priorities in the terms of social impact and legacy; are there equity needs in the short-term? Or can a longer perspective be taken?

One could then argue that if impact investments focus more on financial returns, could less profitable investments with strong social impacts be left behind? Noble argues that there is a risk. Given positive selection bias impact investment deals that target the highest returns will receive the most capital and the most effective investors in juxtaposition with those with lower returns. Noble describes how philanthropic capital and development is integral, once investors start to realise that targeting social and environmental returns can actually boost and make more long-run, stable, financial returns. The more stability in social or political institutions, the better the business climate. Noble indicates that the "real way" to create a stable market economy would be to focus on social and financial returns in the long-run. GCP and GCP Solar's basic focus towards Africa and African investments identifies that investments are long-term opportunities as well as a socially responsible and ethical investments.