Home Grown Solutions Accelerator for Pandemic Resilience in Africa

Introduction to the initiative
April 2022
Home Grown Solutions (HGS) Accelerator for Pandemic Resilience in Africa

1. **Context & project origins**

2. **Successes to date**
   - Our 2021 East Africa Pilot

3. **Current activities**
   - Ongoing 2022 Pan-African cohort

4. **Long-term plan & potential**
   - Room for collaboration
Our journey going forward
Home Grown Solutions Accelerator for Pandemic Resilience in Africa

1. **2020+ Ideation**
   - Stakeholder consultations and definition of problem, approach & set-up

2. **2021 East Africa pilot**
   - Selected and supported 5 promising HGS to build & test model in East Africa

3. **2022 Expansion phase**
   - Expanding to support 10-15 HGS across continent, continuing to build pan-African ecosystem

4. **2023+ Steady state**
   - Continued operation across the continent with annual cohort of 20+ HGS and growing (alumni) network
HGS Accelerator context & project origins

... and how is this Accelerator different to other private sector Accelerator programs
How the Accelerator started

From COVID response to pandemic resilience to long-term systems strengthening, by supporting Africa's entrepreneurs

Early 2020
COVID-19 highlighted Africa's dependence on other continents on healthcare delivery

Mid 2020
Multiple Home Grown, innovative African solutions are coming up, showing promise to deliver healthcare impact

Late 2020
With support from JICA, AUDA-NEPAD launched the Home Grown Solutions Accelerator to support entrepreneurs and strengthen the continent's pandemic resilience

2021 onwards
Continued commitment by all parties to continue the initiative for longer-term healthcare systems strengthening
The problem

In stark contrast to more mature sectors like fintech or energy, a strong support ecosystem for healthcare venturing is still lacking across the continent.

- **Hard to find the right partners**
  Limited networking and peer-learning opportunities for healthcare players limits options for meaningful introductions across private and social sectors, with right public sector players often hard to engage.

- **Difficulties accessing capital**
  Limited number of investors considering healthcare, traditional debt providers inadequate and missed opportunities in providing grants to build sustainable & scalable business models.

- **Limited access to technical advice**
  Few local business or technical experts available that know local context and charge affordable rates at the level of engagement required to update business or manufacture a new product.

- **Regulatory, procurement & trade**
  Fractured and highly dynamic environments introduce additional cost and time requirements to gain market access, especially when expanding business across borders.

See also our joint AUDA-BCG publication *Breaking Barriers for Africa’s Healthcare Entrepreneurs*.
Unique and evidence-based design

Based on extensive assessment of health systems, needs of healthcare companies and other programs, AU-DA-NPAD positions the HGS Accelerator for the specific task at hand.

- Important to strengthen health systems for resilience vs. short-term pandemic response
- Start-ups want more tailored support than vast bulk of private-sector accelerators provide
- No publicly funded accelerators focus on growth- to mature- stage companies and avoid manufacturers
- No healthcare-specific accelerators exist at scale in Africa, and none that link to public sector

50+ countries health system assessment
60+ stakeholder engagements
40+ accelerator benchmarks
Our focus companies

We are the only large-scale healthcare-specific Accelerator in Africa, and distinguish ourselves further by working both with growth as well as mature stage companies.
What we offer

We offer each individual company in our cohorts tailored support across three areas, continually going up and above typical private or public-sector Accelerator programs.

- **Context-specific advisory**
  
  Provide business model validation and advisory services.
  
  *(For subset)* Assign dedicated consultant during accelerator program, with potential for longer term engagement.

- **Investment readiness support**
  
  Match needs to funding options, prepare reach-out with coaching, thinking & supporting materials.
  
  Broker introductions to high potential *(equity, debt or concessional finance)* funders.

- **Matching to strategic partners**
  
  Identify the right partner needed to unlock scale or navigate trade or regulatory landscapes.
  
  Broker introductions to potential partners across public, private, and social sectors.

We have a team of world class consultants to diagnose your business needs and deliver *tailor-made advisory services*.

We represent and understand the requirements of a *growing and diverse network of funders*, linking you to capital needed to scale.

We will leverage our joint networks and *introduce you to leading organizations* to grow your business through partnership or advise.
Our governance

We have set up a number bodies, including an independent Steering Committee for decision making and guidance and a growing Advisory Panel for the benefit of the Home Grown Solutions.

**Steering Committee**
8 members from 7 organizations

*Selects HGS to participate, and provides guidance to overall accelerator*

- Dr. Ibrahim Assane Mayaki (Chair)
  - AUDA-NEPAD, Chief Executive Officer
- Mr. Yasuhiro Kato
  - JICA, Vice President
- Prof. Aggrey Ambali
  - AUDA-NEPAD, Head of AU Development Fund
- Dr. Elizabeth Wala
  - Independent, Global Advisor, Health and Nutrition
- Dr. Benjamin Djoudalbaye
  - Africa CDC, Head of Policy, Health Diplomacy & Communications
- Ms. Kanayo Awanli
  - Afreximbank, Managing Director of Intra-African trade Initiative
- Mr. Mathieu Lamiaux
  - Boston Consulting Group, Managing Director & Senior Partner
- Ms. Annick Gouba-Guibal
  - AGC, Founder & Chief Executive Officer

**Core Operational Team**
Joint AUDA, JICA, BCG & Villgro team

*Run the accelerator day-to-day, including ongoing engagement and support for selected HGS through Portfolio Managers*

**Advisory Panel**
18 organizations & growing

*Reach out if advice or direct intervention is requested by the HGS; then connect with HGS*

Note the following abbreviations. PM: Portfolio Manager; HGS: Home Grown Solution
Our growing network

In order to deliver against the offering, we are building a growing network of leading public- and private-sector organizations. Interested to join? Let us know!

Note all organizations shown are part of the Advisory Panel, with those specifically highlighted also part of SteerCo and/or Core Team.
2 Our 2021 East Africa Pilot & joint successes

... including an overview of what a typical year for the initiative looks like
Overview of our Pilot

From 56 applications received, 39 were valid, 12 were shortlisted and detailed for the SteerCo who in March 2021 decided on this Pilot cohort of 5 outstanding Home Grown Solutions.

Manufacturer of essential medical supplies & consumables (video intro)
Provider of specialized renal care services at hospitals (video intro)
Primary healthcare clinics in low-income neighborhoods (video intro)
Technology enabled blood management system (video intro)
Producer of handheld ultrasound devices for low-resource settings

Note that Damu Sasa & MSCAN are Pre-Seed, Access Afya Pre-Series A, AHN post Series A and Revital an established manufacturer. Click for links to AUDA-NEPAD's YouTube channel.
## Tailored acceleration plans

Over the course of April and 3-5 meetings for each HGS, we diagnosed their most pressing needs and matched them to the Accelerator offering to define these tailored support plans.

<table>
<thead>
<tr>
<th>Context-specific advisory</th>
<th>Articulate clear value proposition &amp; refine 1-2 core business models</th>
<th>Solidify sales and marketing approach</th>
<th>Improve franchise offering; develop pricing &amp; franchisee sourcing models</th>
<th>Design target operating model &amp; growth enabling operating system</th>
<th>Support expansion into manufacturing of diagnostics &amp; develop demand analysis model</th>
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<tr>
<td>Investment readiness support</td>
<td>Introduce MSCAN team to high potential funding partners</td>
<td>Validated financial model &amp; refine pitch materials</td>
<td>Prepare pitch material &amp; introduced to funding partners</td>
<td>Prepare Revital for product agnostic future funding needs</td>
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<td>Matching to strategic partners</td>
<td>Introduce to entities that can support with Tanzania and Rwanda</td>
<td>Linking to local Telco partner and peers abroad</td>
<td>Connect with regulators &amp; manufacturing partners</td>
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Positive feedback from our HGS

Positive feedback from our pilot cohort on the support provided shows the need and potential for programs like these to contribute to the continent's pandemic resilience.

Quote by HGS:

Innocent Menyo
Co-founder

Quality benchmarks and research by a professional team help us formalize our thinking and grow our business.

Aaron Ogunde
Co-founder

You have been a great help in bringing clarity on our business, and your public sector network has been impressive.

Daphne Ngunjiri
CEO

Not like other accelerators, where once you have seen one you have seen them all - such in-depth support!

Nikhil Pereira-Kamath
Co-founder & CEO

It would have otherwise been impossible for us to get this detailed support on a topic like IT and an easy-to-work with team.

Krupali Shah
Technical Director

We are typically left out of these things, yet your expertise is highly complementary - a step change for us!
Our pilot cohort's successes

Continued growth by all 5 companies on metrics related to Accelerator's support

As per Dec '21 (8 months after start of Acceleration period)

- **$3M** raised in equity already, more in pipeline
- **$4M** Grant from the Bill and Melinda Gates Foundation
- **1B** consumables will be made in '21 vs. ~500M before
- **50M** syringes not imported from but exported to India from African soil

- **$100k** Grant from Afreximbank
- **1000+** pregnant women scanned to date

- **$150k** Grant from Afreximbank
- **x4** number of paying hospital customers, currently at 12
- **x5** increase in committed annual revenues
- **+2** countries on the radar, Tanzania & Rwanda

- **Access Afya**
  - Franchising on the rise during Accelerator
  - **x2** number of franchisees from 4 to 8 locations
  - **88%** of franchisees break even, from only 2/5 before
  - **90%+** Afya score each month, indicating high quality care at franchises

- **Damu O Sasa**
  - Life is worth sharing
  - Increased market traction & regional opportunities

- **True global player in 2021**

- **$5M** Debt financing from DFC

- **9** new clinics have opened to total of 25

- **x2** number of franchisees from 4 to 8 locations

- **90%+** Afya score each month, indicating high quality care at franchises

- **90%+** increase in staff employed, from 200 to 300 total

- **$150k** Grant from Afreximbank
- **1000+** pregnant women scanned to date

- **Increased company scale and maturity level at start of Accelerator**
With our help, Roneek and colleagues are rapidly responding to the global need for medical consumables to support testing and vaccination campaigns.

- **Jun**: Started manufacturing of **C19 rapid tests**, KEMRI supported, producing 10,000s per month.
- **Sep**: Started sale and distribution of bcPAP for use in pediatric wards.
- **Oct**: Obtained a **$4M grant by Gates Foundation** to increase auto-disabled vaccine production.
- **Nov**: Won UNICEF tender of **50M syringes to India** (instead of imported from).
- **Dec**: Doubled capacity to **1B consumables per year** for 15+ countries.
- **2021 total**: First substantial equity raise of **$3M with AAIC**, “The pitch was remarkably improved”. Mentioned by H.E. Hon. Uhuru Kenyatta as developing ‘resilience’ in State of Nation Address.
Ongoing 2022 Pan-African cohort

... including the cohort of 14 Home Grown Solutions we are supporting right now
What 2022 looks like for us

Our Steering Committee has picked the cohort of 14 companies which we started to support

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<td>Prep for Steady State</td>
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Formalize next year

Source diverse HGS by a widely communicated call for applications

Run 3-step assessment and prepare decision SteerCo

Jointly define Acc’n plans per HGS

Provide Investment Readiness support to HGS

Provide Contextual Advice support to selected HGS

Match HGS to strategic partners

Codify learnings & update design

Prep AUDA & other teams for next year
Applications received for our 2022 cohort

Despite being our first Pan-African call, great diversity in applications received by location, type of HGS and maturity level

Thanks to all networks that helped disseminate:

- AUDA-NEPAD, JICA, BCG & Villgro Africa channels
- VC4A, Briter Bridges, DisruptAfrica, Afrilabs & more platforms for African entrepreneurship
- ~30 investors & incubators active in Africa
- ~15 industry associations across the continent

*Map showing combined countries of operation*
Our 2022 Pan-African cohort

From 160 applications received and a shortlist of 28, our SteerCo decided in March 2022 on this Pan-African cohort of 14 outstanding Home Grown Solutions

**North Africa**
- AI-assisted tele-radiology platform
- Remote pathological diagnostics platform
- Platform allowing doctor home visits

**West Africa**
- International network of modernizing providers
- Referral hospital & pillar of local health
- Diagnostic clinics in underserved areas
- Novel pre-paid scheme for uninsured patients

**East Africa**
- Pharmaceuticals firm with pan-African sales
- EMR and community insurance scheme
- Manufacturer of UV sterilization machines
- E-wallet type health financing scheme

**South Africa**
- Medical device designer and manufacturer
- Pharmaceuticals B2B and B2B2C platform
- Local telehealth and home visit platform

**Legenda**
- 1+ HGS HQ here
- 1+ HGS active here
4 Long-term plan & room for collaboration

... including our targets, funding needs and how to become involved
Our ambitions in numbers ...

To continuously grow in scale & partnerships whilst consistently delivering value to HGS

Scale
- Applications: 56 → 150+ → 250+
- Selected HGS: 5 → 10-15 → 20+
- Total budget: $1.8M → $2.5M → $4M

Partnerships
- Number of funders: 2 → 3 → 4
- Advisory Panel: 15 → 20 → 25
- AUDA FTE involved: ~1 → ~3 → ~5

Delivery
- Net Promotor Score: 100 → 80 → 80
- Milestones reached: 100% → 90% → 90%
… whilst we grow our funding footprint

Three elements of funding required to continue to grow and sustain the initiative in the future

- **Grants to HGS**
  - Follows stringent assessment and SteerCo selection
  - Target average of $50k per successful applicant
  - E.g., 20% up-front, 80% milestone dependent
  - Allows HGS with incentive & means to allocate resources

- **Advisory costs**
  - Continue to bring in leading external expertise for contextual business advisory and investment readiness
  - Potential to expand scope of services in future

- **Institutional expenses**
  - Ensure effective marketing and sourcing and other operational elements around events, travel
  - Internal costs for AU-NEPAD to staff appropriately
Where to find us

Feel free to reach out to our team directly, and/or keep an eye out for updates on the project and our pilot cohort on our website or your preferred social media channel

... via Email (Project Manager George Murumba)
GeorgeM@nepad.org
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... on LinkedIn
African Union Development Agency-NEPAD

... on YouTube
AUDA - NEPAD