

## Harambeans Prosperity Fund launched

Africa holds the potential to generate great wealth with its growing population and innovative entrepreneurs. However, having faced the challenge of increasing poverty among its people, the continent now faces a new challenge - an economic downturn and financial crisis brought on by the global pandemic.



10th Class of Harambeans Gather in Bretton Woods

Instead of allowing this looming economic crisis, which could see between 70 and 80% of non-venture capital backed startups facing closure, to disrupt innovation on the continent, the Harambe Entrepreneur Alliance is continuing to unlock Africa's potential by driving prosperity. This will be achieved through supporting their network of high impact Harambeans with the Harambeans Prosperity Fund.

The Harambeans Prosperity Fund – formed through the Harambe Entrepreneurship Alliance network of prominent families and corporations – aims to provide \$1 million in funding to African networks affected by the economic downturn. This funding will be made available to a group of diverse and impactful African innovators who have been admitted to the Harambe Entrepreneur Alliance.

Since 2008, more than 300 Harambeans have developed high impact ventures in Africa with lasting social and economic impact. Collectively, Harambeans have generated over 3000 jobs and raised over \$500m from Google Ventures, Chan Zuckerberg Initiative and Alibaba.

## Accelerating growth in an economic crisis

Given the widespread impact of the pandemic on the continent's entrepreneurial ecosystem, African startups are finding that their business models have been disrupted, capital markets have frozen and consumer habits are changing – a formula that may result in 50% of Harambean enterprises expecting the financial impact of Covid-19 to become critical within the next three months.

In addition, over 75% of Harambean enterprises have indicated a need to raise up to \$100,000 to sustain business activities, as well as a need for coaching and mentoring from investors and operational experts, explains Okendo Lewis-Gayle, executive chairman of the Harambe Entrepreneurship Alliance.

“As the pandemic metastasizes into an economic and financial crisis, entrepreneurs throughout Africa's developing startup landscape face an unprecedented threat,” says Lewis-Gayle.

The Harambeans Prosperity Fund is a rules-based co-investment vehicle that leverages Harambe's investment network to increase capital flows to Harambean-led ventures. In response to Covid-19 the Harambeans Prosperity Fund is allocating \$1 million to provide low interest loans and equity investments to ventures with sound business models, proven traction and demonstrated adaptability.

The Harambeans Prosperity Fund will make capital available to entrepreneurs who have repositioned their ventures, or had proven business models prior to the pandemic, and are likely to thrive in the new norm but are unable to access capital markets.

The following funding is available:

- \$25,000 for applicants who have revenues of at least \$5 000 per month over a six-month timeframe within a 12-month period.
- \$50,000 for ventures that have raised \$250,000 (in debt or equity) within a reasonably recent time period
- \$100,000 for enterprises leading a fundraising round of at least \$1million (in debt or equity) within a 12-month period.

The funding is open to any entrepreneur within the Harambean network. Entrepreneurs who are not members of the network are invited to apply to become Harambeans at [www.harambeans.com/become-a-harambean](http://www.harambeans.com/become-a-harambean)

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