

WOP Opportunity Fund: Transforming Africa

An Initiative of the War on Poverty Trust
(WOPTrust) and  **NEXUS**
GLOBAL SERVE

Executive Summary

- Many well-meaning philanthropic efforts in Africa have failed to produce the lasting change intended. By some estimates, as much as \$1 trillion of aid has been pumped into Africa over the last 60 years.
- While the reasons for failure are diverse there is a common pattern:
 - In Africa there is a tendency to provide “the fish” instead of “teaching the art of fishing” and there is the assumption that financial literacy and capitalist principles are well-understood and will be used.
 - In the United States, multiple philanthropies seek just-in-time funding from the same set of donors and fail to coordinate their efforts along specialties often honed over decades. Eventually, it becomes difficult, if not impossible to procure the means to continue to deliver the fish.
- The BIG IDEA: create partnerships to create a next generation philanthropy that addresses these deficiencies.
 - Establish a permanent, self-sustaining fund (WOP Opportunity Fund) that will use private equity and venture capital returns to deliver philanthropic good works.
 - Implement Hope Junction™ strategy to create strategic communities of hope to serve as viral growth points and to provide fertile ground for the green shoots of economic development.

Problems plaguing traditional philanthropic programs in Africa

- Lack of ongoing funding. Without this, efforts are unsustainable and in constant need of fundraising.
- Just-in-time fundraising is inefficient and ineffective. Raising meaningful amounts of philanthropic capital requires economies of scale.
- Lack of a master design (“rallying cry”) to unify and coordinate the contributions of various organizations and agencies. The lack of such a blueprint hampers innovation from contributing organizations with inherently different capabilities and specialties.
- Cultural barriers on the ground are not addressed. Without an ownership culture our philanthropy, no matter how well intentioned, fails to seed endeavor. With cultural barriers unaddressed, it is extremely difficult for any philanthropic campaign to become viral.

Hope Junction™ Strategy: Core Assumptions

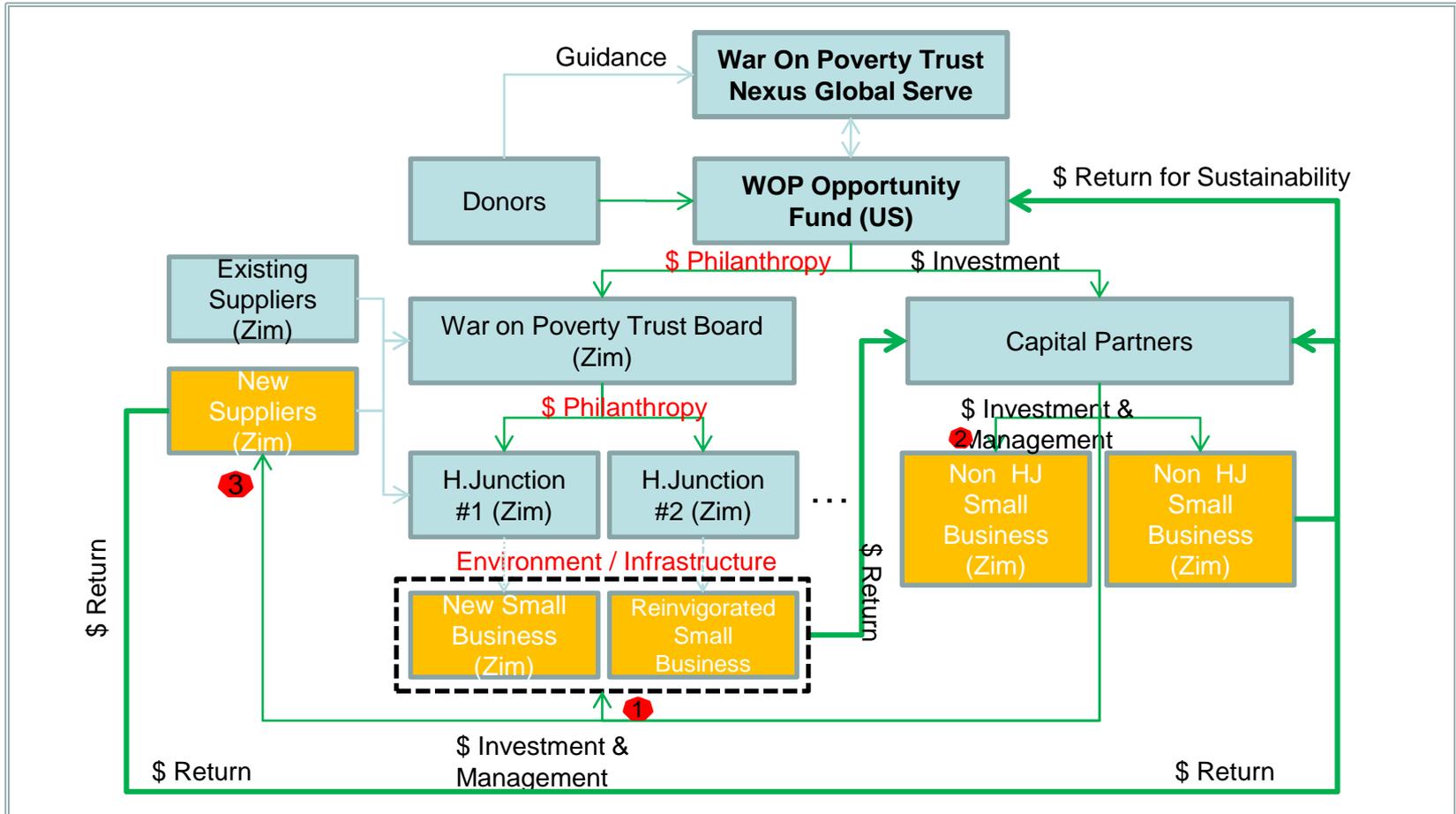
- An overlap with pre-existing efforts, led by US and Local Village Champions;
- An understanding (through empirical assessment of scale and mix) of the base capabilities and uniqueness of each village or service center;
- A recognition of interconnectedness between social, economic ; educational, health factors, etc. in development;
- A process to facilitate community building in order to meet basic needs (energy, water, communications, healthcare, food security, leadership development, skills transfer);
- An intentional investment in, and development of, a “Culture of Ownership” and private enterprise which optimizes networks to generate productivity and value through industry, mobility and trade.

Hope Junction Strategy: Basic Building blocks

- US and “Local Village” or Service Center Champion committed to long-term process of transformation
- Critical mass/minimum scale
- Capital/inputs (trade finance, microfinance)
- Community banking/Financial Education
- Energy (Solar)
- Agricultural Market: Crops/Livestock/Food Production
- Industrial Production/Conversion
- Telecommunication
- Transportation/Supply Chain/Trade
- Maintenance capacity (parts and knowledge)
- Well /water source
- Spiritual Community Infrastructure: Church, School, Healthcare

Each time the Strategy is implemented it will require involvement and interaction from ***philanthropy, free-market, economic development*** and ***educational endowment*** professionals, as well as national, NGO and local village or community representatives.

Generation Next: WOP Opportunity Fund Will Provide The Triple Development Leverage to Create Sustainability



(1) Hope Junction “Green Shoot” businesses, (2) Hope Junction “Green Shoot” businesses operating in target territory and (3) Supply chain companies as necessary to support Hope Junctions.

Triple Leverage: How the WOP Opportunity Fund works: Capitalism making philanthropic progress permanent.

- WOP Opportunity Fund will invest through private equity firms to generate a direct return. This direct investment will also support economic development in targeted regions and create a high dividend income stream to increase scale.
- We will make partners aware of green shoot enterprises originating from Hope Junction™ Villages and Service Centers to invest in.
- WOP Opportunity Fund and investment partners will create businesses as necessary to supply Hope Junction™ Villages and Service Centers (e.g. solar panel maintenance, well drilling, water reticulation systems installation and maintenance) if not available.

Financing the Hope Junction™ Strategy: WOP Opportunity Fund (WOF)

- | | |
|--------------------------|---|
| Description | <ul style="list-style-type: none">• Self-sustained and dedicated endowment to fund the rollout of Hope Junctions™ (initially in Zimbabwe) |
| Size | <ul style="list-style-type: none">• \$10 million minimum with target objective of \$50-75 million |
| Open / Close Date | <ul style="list-style-type: none">• TBD |
| Use of Funds | <ul style="list-style-type: none">• Fund Hope Junction™ initiatives and invest to support promising new small and medium enterprises |
| Custodian | <ul style="list-style-type: none">• NeXus Global Serve |
| Governance | <ul style="list-style-type: none">• NeXus Global Serve Board |
| Audit | <ul style="list-style-type: none">• NeXus Global Serve Auditors |