

# Inclusive Digital Entrepreneurship Platform for Africa

A collaborative platform that channels funding and support to catalyze the growth of inclusive digital businesses and the next generation of technology leaders in Africa.



# The Inclusive Digital Revolution in Africa

Africa is becoming the “mobile continent”. **By 2019, monthly mobile data traffic in Africa and the Middle East will be greater than Western Europe** and will be approaching the same volumes as North America<sup>1</sup>. The rapid growth of data traffic – Compound Annual Growth Rate (CAGR) of 72%, the highest of all markets – will be transformational for economies in Sub-Saharan Africa. With greater access to the Internet, more powerful devices, and cheaper data, Africa will be ripe for disruption, especially around tackling complex social, environmental and development challenges.

Africa’s next generation of entrepreneurs has already emerged. In places like Lagos, Cape Town and Nairobi, young techies are forming digital startup communities and are developing innovative digital products that will enable businesses and consumers to leapfrog into the 21st century. **Exciting new business models are already being launched that improve the lives and livelihoods of low-income communities** and have potential to scale quickly across the continent. However for many startups, growth is limited by scarce funding institutions, insufficient business development support, gaps in the startup ecosystem and dispersed talent pools.

<sup>1</sup> Cisco VNI Mobile, 2015

# The Platform Concept

The platform addresses these challenges as follows:

<b>1</b> <b>Financial Support</b> Flexible funding (\$75,000 - \$1.5m per enterprise) through a funding platform formed by Goodwell Investments and co-investment partners.	<b>2</b> <b>Venture Development Support</b> High-touch engagement and assistance, active mentorship, access to technical and market experts through a support platform managed by Caribou Digital.
<b>3</b> <b>Startup Ecosystem Development</b> Collaboration among platform partners to fill gaps in the ecosystem, engage with industry, build and share intellectual capital, develop and curate resources for the entire digital startup ecosystem.	<b>4</b> <b>Leadership Development</b> Addressing resource challenges and developing the next generation of digital leaders in Africa via fellowships and networks.



## Startups focused on Inclusive Digital Economy in Africa

The platform focuses on startups that leverage digital technology to contribute towards a more inclusive economy. We see an “Inclusive Digital Economy” as economic activity primarily or significantly enabled by digital technology that increases agency and enables citizens and businesses to create and retain value within their own communities.

Inclusive digital economies both depend on and deliver:

- improvements in price, quality, and access to basic goods and services
- high quality and living wage employment and enterprise opportunities
- affordable access, digital literacy and effective usage of digital technologies
- market institutions for enhancing credibility, analyzing data, exchanging goods and services, and enabling financial transactions

Below are some examples of the sectors and innovations that the platform focuses on:

<b>Access</b> Affordable distribution models that leverage new technologies and underutilized capacity. 	<b>Financial Services</b> Digital wallet interoperability and integration with value added services. 	<b>Commerce</b> Simple, cheap and localized SME software/hardware (e.g. POS); enabling trade finance. 
<b>Energy, Water &amp; Sanitation</b> Affordable off-, micro- and mini-grid solutions with payments integration, asset-backed finance and bundling. 	<b>Healthcare</b> Diagnostics; making healthcare management simple, cheap and localized. 	<b>Agribusiness</b> Supply chain visibility, production management integration with payments and credit/finance. 
<b>Education</b> Improving quality, price and access of basic education, vocational training, and digital jobs. 	<b>Civic Services</b> Mass transit efficiency and value creation; emergency community systems. 	<b>3D Printing</b> Spare parts, medical devices, non-standard and customized products, distribution models. 

## Investors driving Inclusive Digital Economy investments in Africa

As part of our focus on ecosystem development, we have recently launched a new investment group – the **Inclusive Digital Economy in Africa Investor Collaborative** (“IDEA-IC”) – that consists of investment fund managers, foundations and family offices that invest in African technology businesses who wish to collaborate through sharing learning, ideas and experiences and jointly contribute to the ecosystem around our investments.

The group assembles a broad range of collective investment experience in early stage inclusive digital businesses in Africa, enabling members to build on each other’s experience as well as introduce collaborative programs to improve the funding ecosystem for digital startups in Africa.

Initial areas of focus include:

- sharing pipeline information and dealsourcing networks
- collaboration with tech hubs and startup communities
- contributing to investment management infrastructure

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# Unique Platform Differentiators

- Focus on **business models that leverage digital technology and are scalable and replicable**, where value creation and impact are derived from solid execution, efficient delivery at scale and rapid replication. Businesses that are unhindered by intellectual property limitations and not dependent on advertising revenue streams will be prioritized.
- Conscious selection of **enterprises that are game-changers**: delivering value to customers and creating new opportunities by **addressing institutional voids in the marketplace** – enhancing credibility, analyzing data, aggregation and distribution, facilitating transactions – i.e. building platforms, not simply monetizing products.
- Channeling venture **funding and development support** to entrepreneurs **in an integrated way**: funders and technical support providers work in synch to ensure that businesses have a longer runway to develop and grow complimented with needs-based technical support.
- Collaborative platform focused not just on the portfolio of startups but also on **addressing gaps in the ecosystem** around our startups and the sectors concerned.
- Impact objectives that include **indirect impacts (the “ripple effect”) through ecosystem**, sector building efforts and replication of successful business models in addition to direct impacts achieved through the portfolio of startups.
- Partnership participation model that **maximizes leverage** of public, donor, and private resources:
  - Public: alignment with development organization agendas to **accelerate private sector development in Africa**, creating job opportunities for youth and grow the services sector of the formal economy
  - Donor: focal point for foundations and other organizations that are interested in supporting startups and entrepreneurship, but don't have the **geographic and industry knowledge, local footprint, and deep partnerships** to be able to mobilize and deliver efficiently and effectively
  - Private: co-investment and follow-on partnership structure that enables other venture partners to **leverage specialist knowledge and experience, local venture development resources, and opportunities to engage** in dialogue with other platform partners.

## Platform Partners – Founders



### **Caribou Digital**

Advisory services company focused on building inclusive digital economies in emerging markets with experience in mobile telecom, energy, commerce, agribusiness, and fintech. Caribou Digital staff are acknowledged global experts in using Internet and mobile technology in emerging markets to bring social and economic development. Caribou Digital leads the venture support platform efforts.

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### **Goodwell Investments**

Impact investment firm focused on financial inclusion, digital inclusion and small business development. Goodwell provides early stage risk capital and hands-on support to fast growing businesses in India and Africa, currently mainly in financial services (microfinance) and increasingly in other impact sectors. Goodwell has teams on the ground in West Africa and South Africa. Goodwell leads the funding platform efforts.

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