

BUILDING TOMORROW'S AFRICA TODAY

WEST AFRICA DIGITAL ENTREPRENEURSHIP PROGRAM
AN INITIATIVE OF THE DIGITAL ECONOMY FOR AFRICA (DE4A)



WORLD BANK GROUP
Finance, Competitiveness & Innovation

Main deck

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 THIS DOCUMENT IS A SLIDEUMENT AND MEANT TO BE READ AS A REPORT

This report is:

- ❖ **A business plan providing key elements for a regional investment program**, that will be part of the broader WBG Digital Economy for Africa (DE4A) Initiative:
 - **The program design focuses on the DE4A digital entrepreneurship pillar.** A digital entrepreneurship ecosystem that brings the digital economy to life with new services, business models and local content, can boost economic activity and new jobs;
 - **Relevant actions across 3 other DE4A pillars** (digital skills, digital financial services, and digital platforms) are also included, as each of these is key to building a healthy ecosystem for digital entrepreneurship;
 - **A cross-WBG focus** will therefore be needed to implement WADEP, in line with the DE4A Moonshot action plan which is being developed.
- ❖ **A tool for dialogue designed to be easily disseminated and discussed with internal and external clients and ecosystem stakeholders, including policymakers.**
- ❖ **Based on results of a field-oriented and consultation-driven engagements with over 900 ecosystem stakeholders** of nascent, growing and advanced entrepreneurship ecosystems across Africa; and feedback from regional management, CMUs including CDs, PLs, and CPCs, GP Global Leads from FCI, DD, Governance, and Jobs, and the IFC.



- ❖ In addition to this report, the following supporting documentation are part of the ASA:
 - **Position paper** on strengthening innovative entrepreneurial ecosystem and financing in Africa
 - **Webinar** for incubators on how to leverage the potential of open innovation
 - **Incubators guide** for policy markers in West Africa

Disclaimer: Program design based on data collected before November 2018

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Program description

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Implementation & next steps

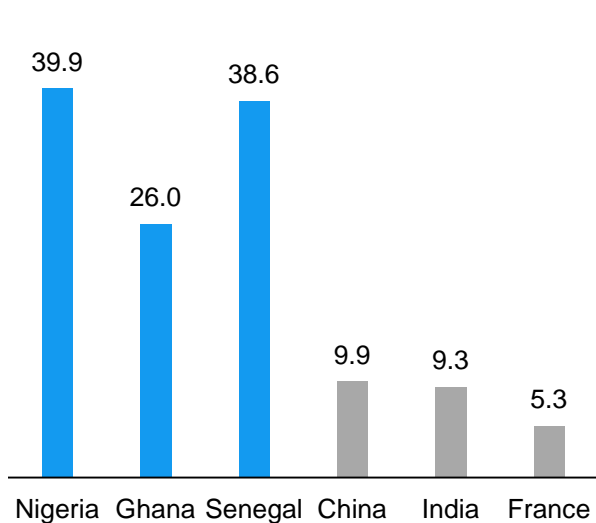
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Annexes

Africa has one of the most entrepreneurial and youngest population in the world...

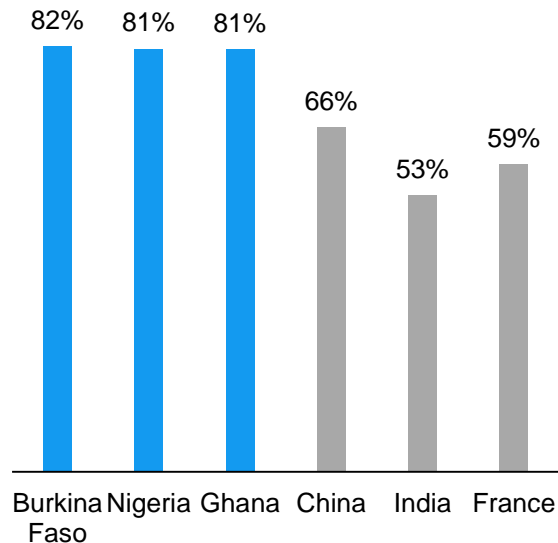
African countries score the highest Total Early-stage Entrepreneurial Activity¹, well above developed and emerging countries

Total Early-stage Entrepreneurial Activity Index (2017/2018)



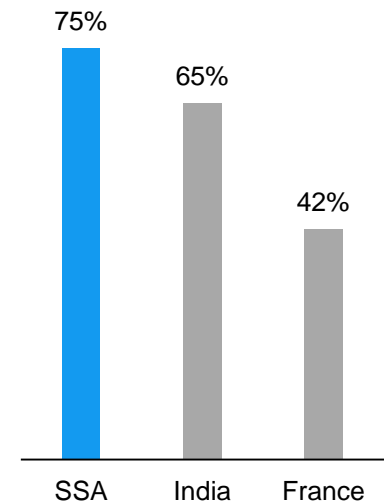
Most of the African population considers entrepreneurship as a great career

% of the population considering entrepreneurship as a good career in GEM survey (2015)



75% of the African population is below 35 years old

% of people under age 14 (2015)



■ SSA countries

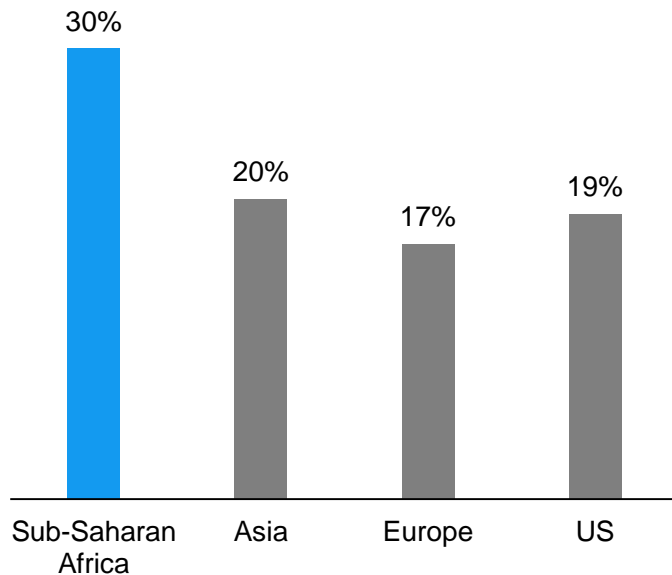
1. The Total Early-stage Entrepreneurial Activity (TEA) Index measures the percentage of the adult population (18 to 64 years) that are in the process of starting or who have just started a business

Sources: World Bank, Global Entrepreneurship Monitor, Youth Business International

...however, due to the high level of low skilled and educated adults, most enterprises are necessity-driven

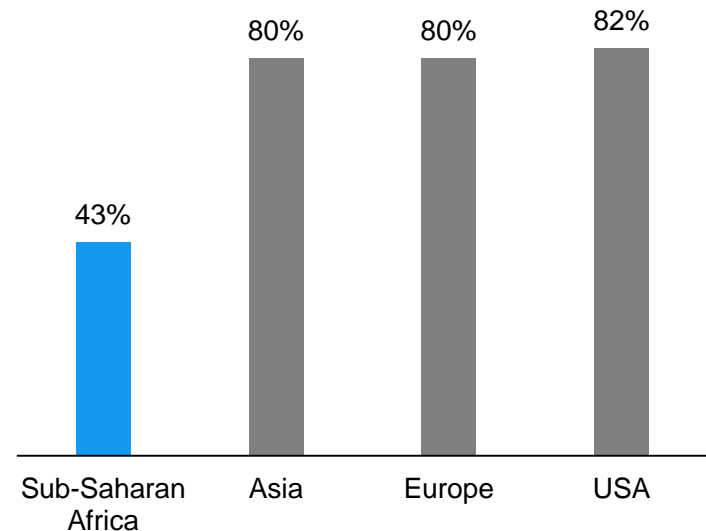
30% of entrepreneurs in Africa set-up their ventures out of necessity

% of adults between age 16 and 35 turning to entrepreneurship out of necessity



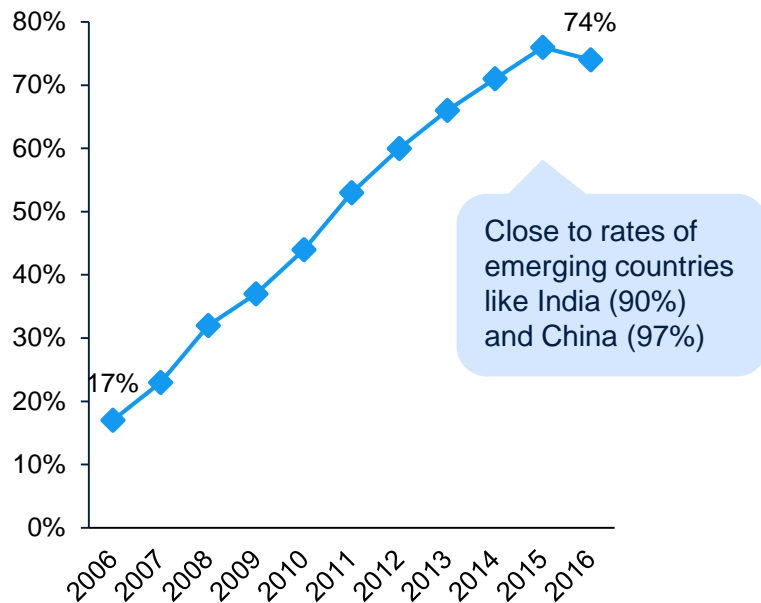
57% of adults between age 18 and 34 in SSA are without a high school degree

% of adults between age 18 and 34 with at least a high school degree

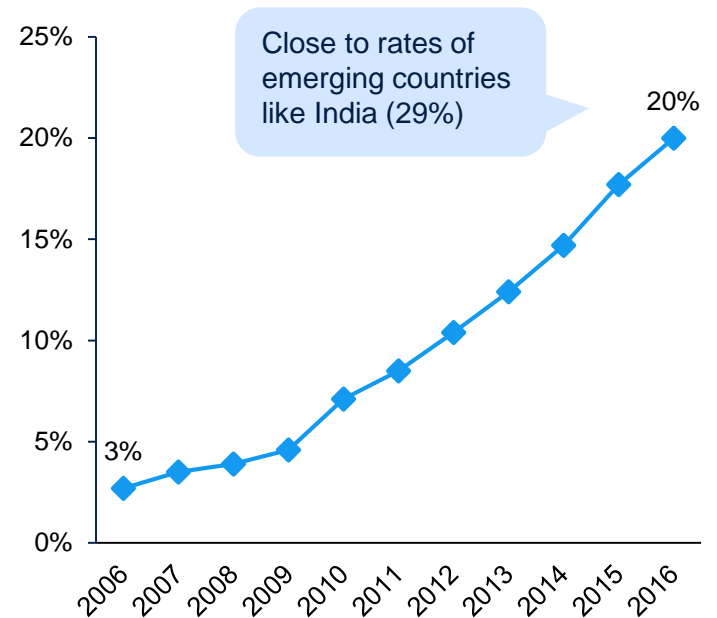


Mobile and internet penetrations are increasing rapidly in Africa to reach the level of other emerging countries...

Mobile penetration in Sub-Saharan Africa

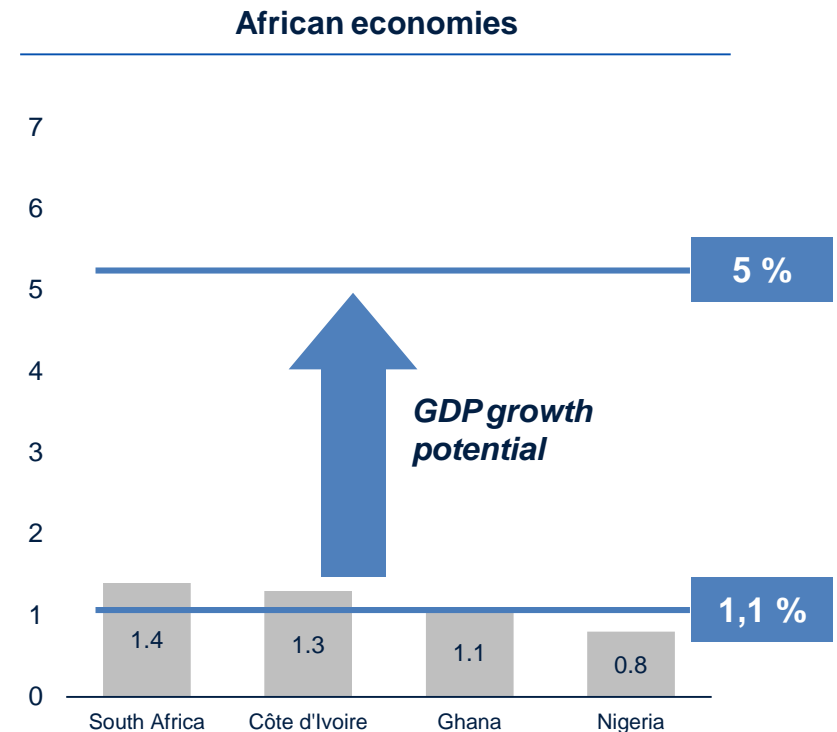
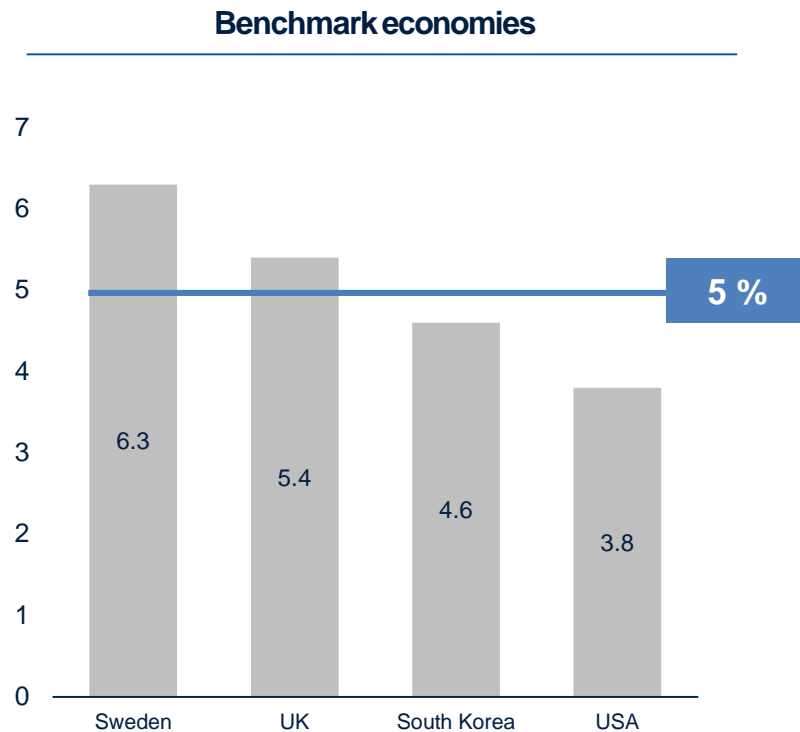


Individual using Internet in Sub-Saharan Africa



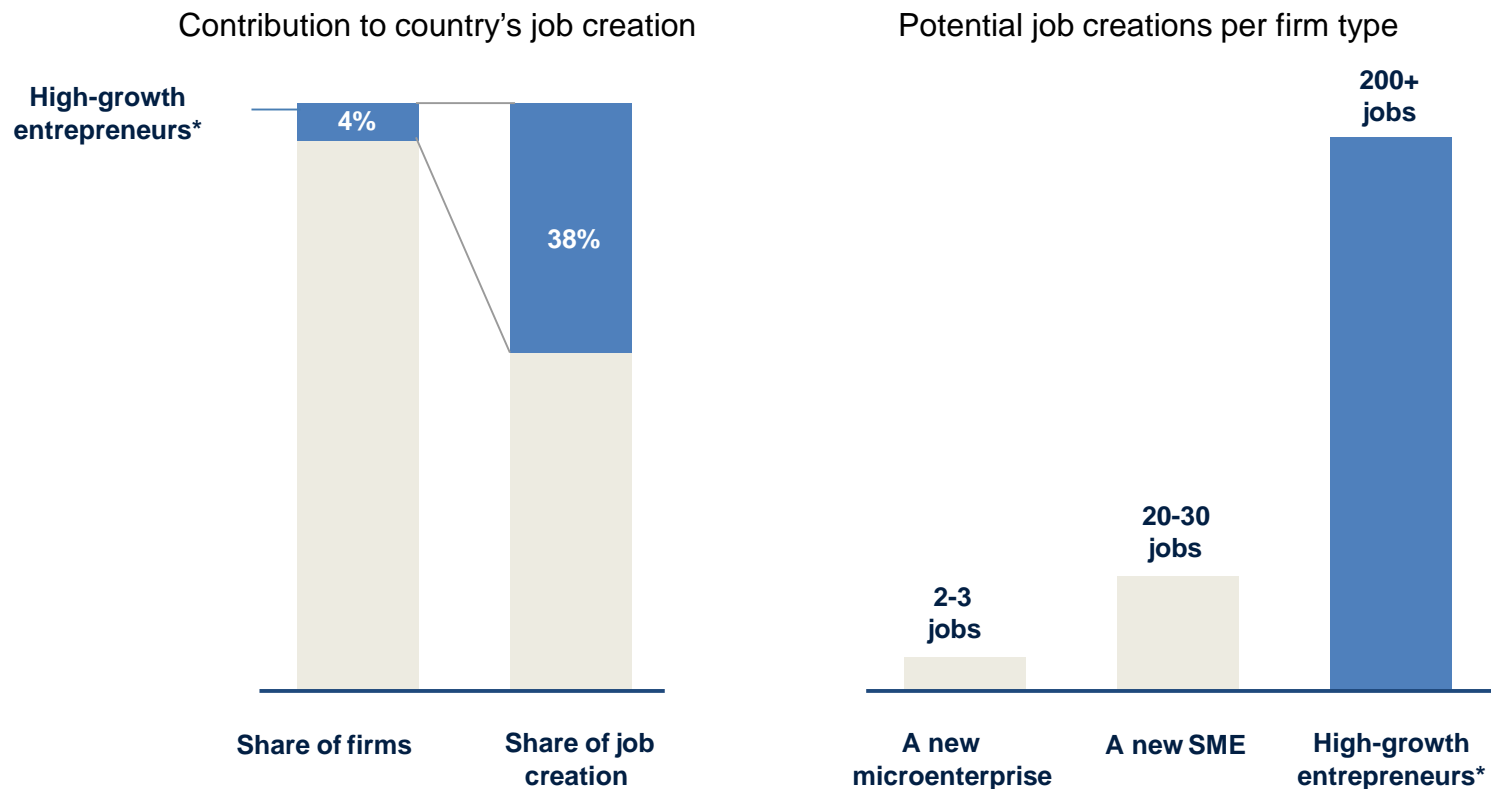
...which could ultimately unleash GDP growth potential...

Internet's contribution to GDP (iGDP), in percent of GDP









...propel the creation of innovative technology based startups with high-growth and job creation potential...

Few high-growth entrepreneurs are responsible for a vast majority of new jobs

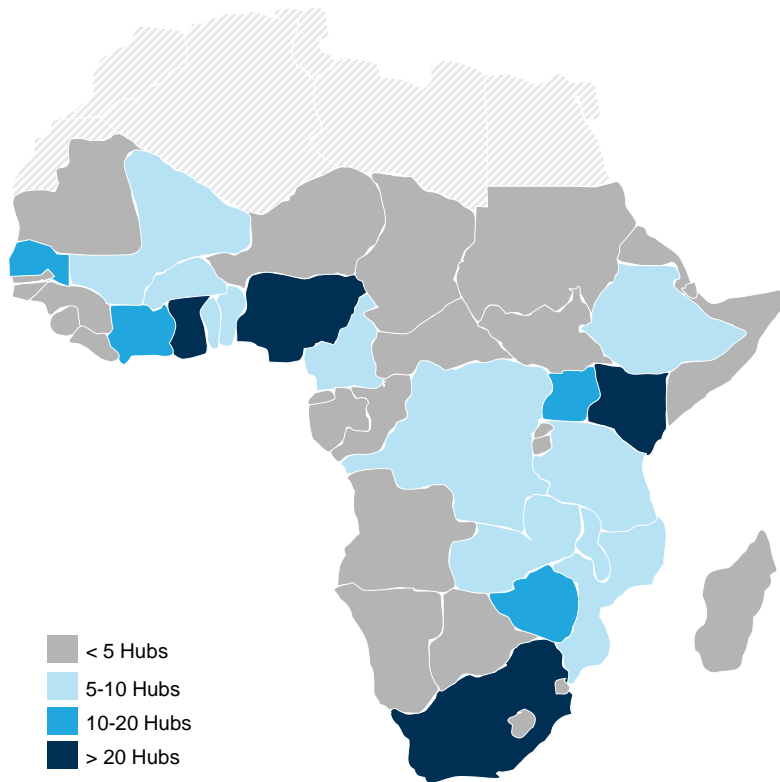


...and strengthen value chains and government services through digital solutions disrupting the status quo

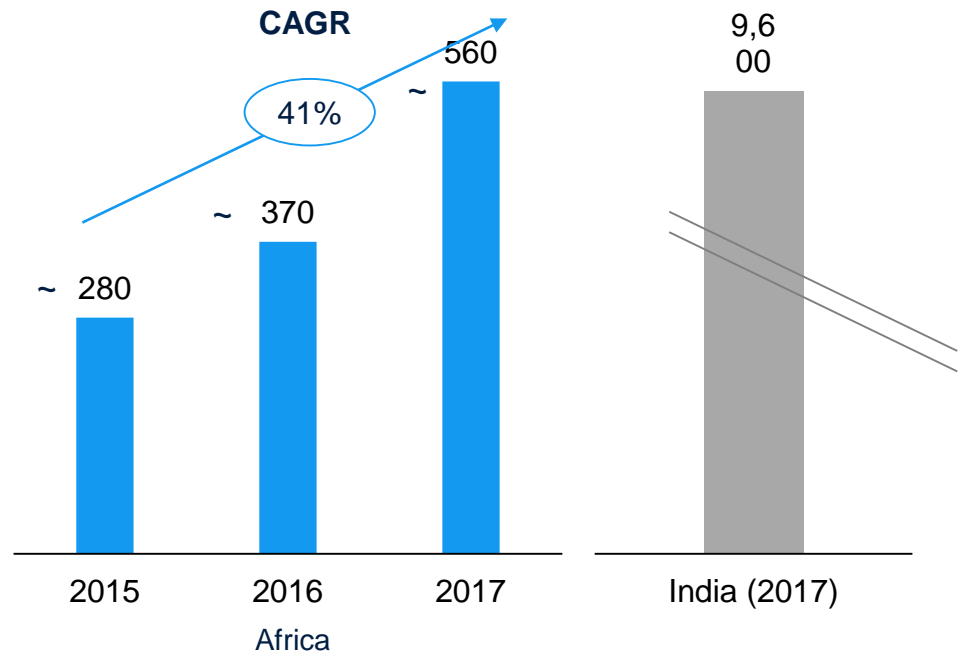
		Traditional solutions	Digital solutions	
Service delivery	Agribusiness	<ul style="list-style-type: none"> Isolated farmers work in a traditional and inefficient manner 	<ul style="list-style-type: none"> Access to information helps farmers improve yield and connect with supply chains 	
	Market places	<ul style="list-style-type: none"> Small/informal enterprises lack access to markets / credit 	<ul style="list-style-type: none"> Online platforms and market places, coupled with new ways to digitally prove identity are accelerating access to markets/credit 	
	Power	<ul style="list-style-type: none"> Due to limited grid coverage, rural populations are left without electricity 	<ul style="list-style-type: none"> Off-grid energy solutions linked to e-payments give access to remote populations 	
	Health	<ul style="list-style-type: none"> Traditional healthcare is doctor/hospital-centric and difficult/slow to scale 	<ul style="list-style-type: none"> Digital solutions are transforming access/affordability and, together with AI, showing growing potential for diagnosis & preventive care 	
Government	Tax	<ul style="list-style-type: none"> Informality and lack of enforcement lead to significant tax avoidance and leakage 	<ul style="list-style-type: none"> Digital payments and ability to digitally authenticate, allow governments to increase tax revenue 	
	Government payments	<ul style="list-style-type: none"> Corruption and overpayment (e.g., ghost workers, duplicate social transfer recipients) 	<ul style="list-style-type: none"> Digital ID and payments ensures efficiency of direct transfer of payments to intended recipients 	

Africa needs to build its entrepreneurship ecosystems, leveraging and strengthening the emerging tech hubs and venture capital funds

The number of active tech hubs in Africa has increased 10x since 2012

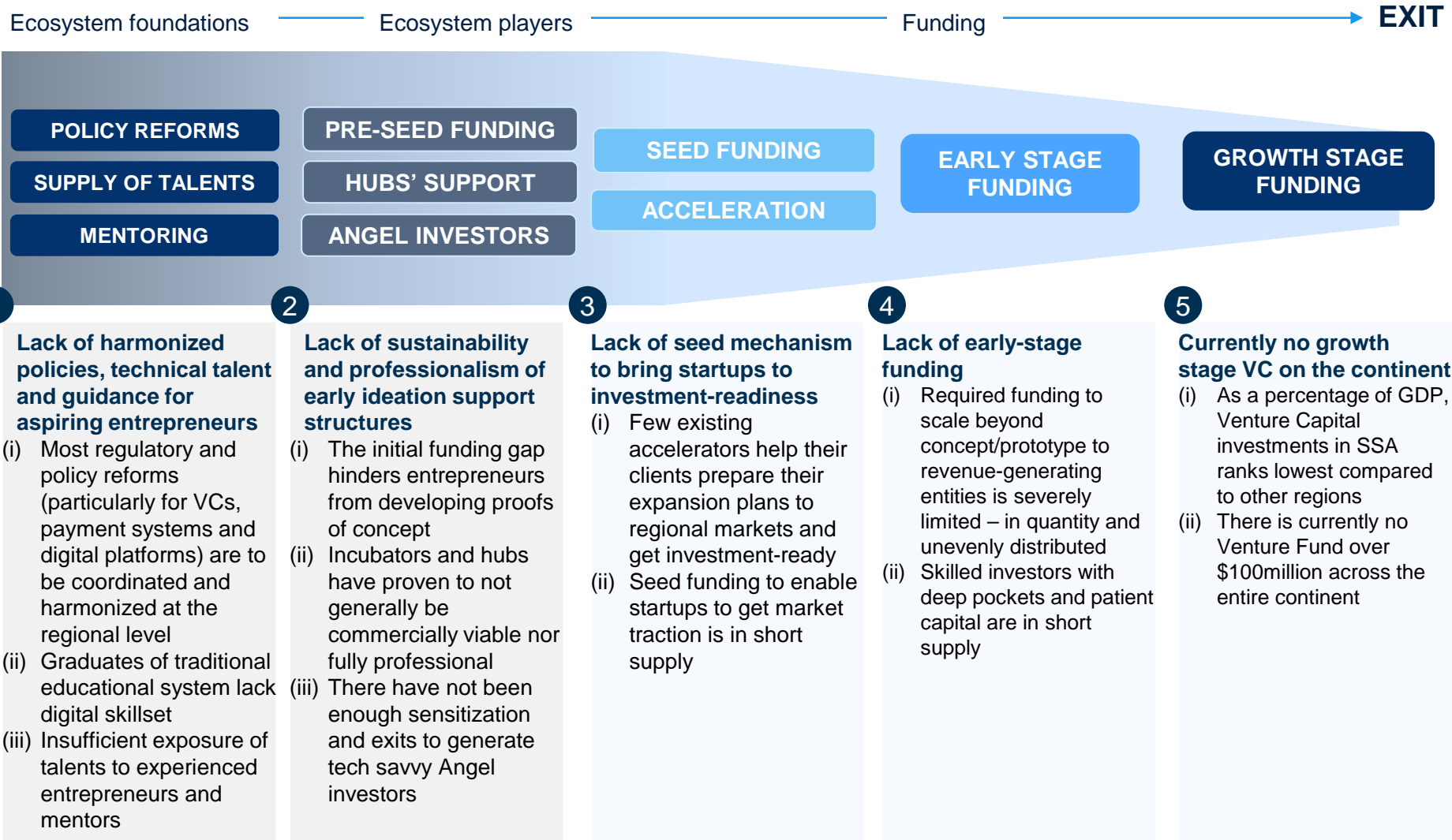


Venture capital funding raised by African startups has increased 14x since 2012 (\$m)

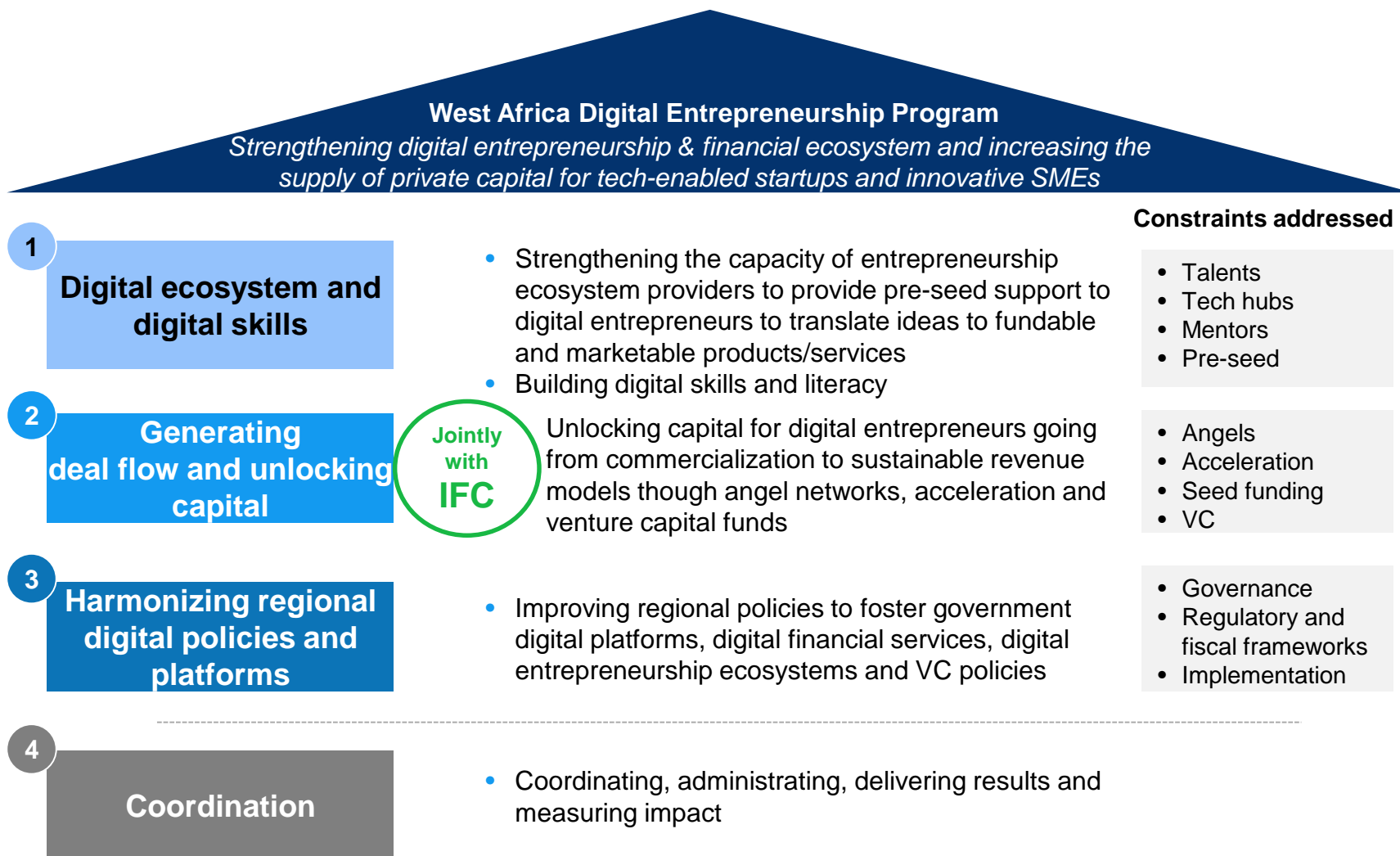


For further information please refer to Annex 1

After 500+ interviews, 5 main constraints have been identified in these African digital entrepreneurship ecosystems...



...to be addressed through a program structured in 4 blocks to catalyze private equity investment in African startups

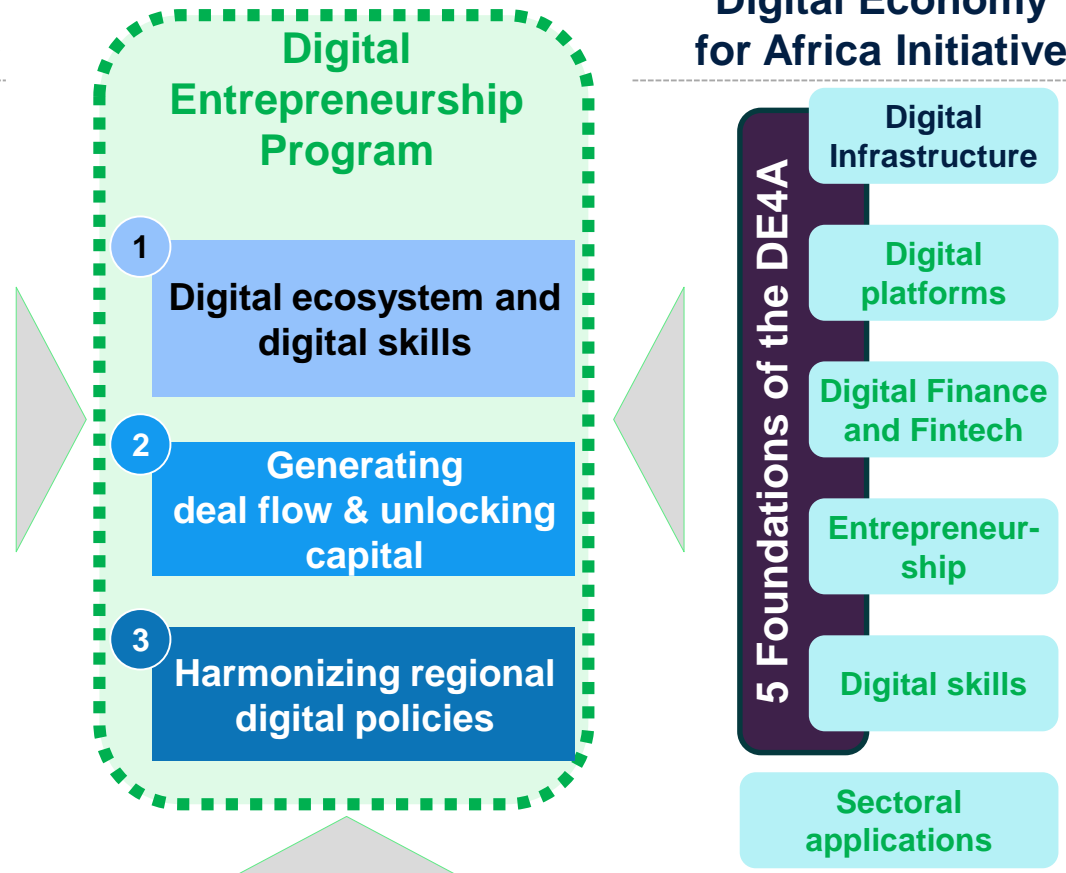


The program fits with combined regional and corporate priorities...

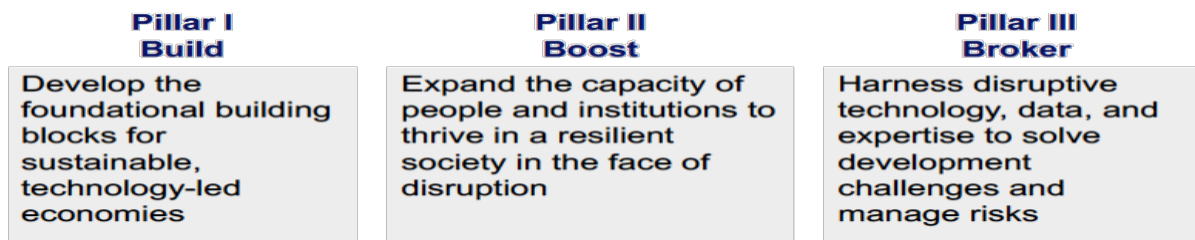
Digital Economy Moonshot for Africa



Digital Economy for Africa Initiative

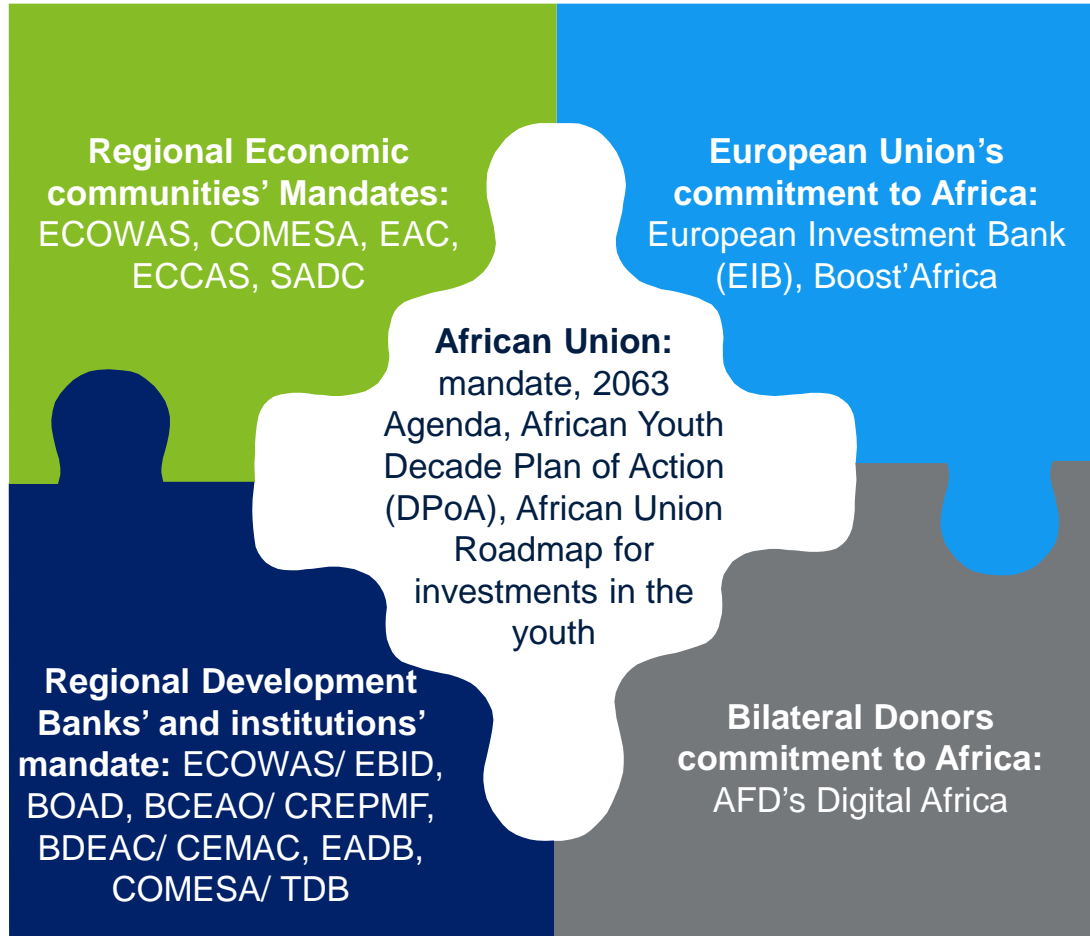


Disruptive Technology for Development Value Proposition

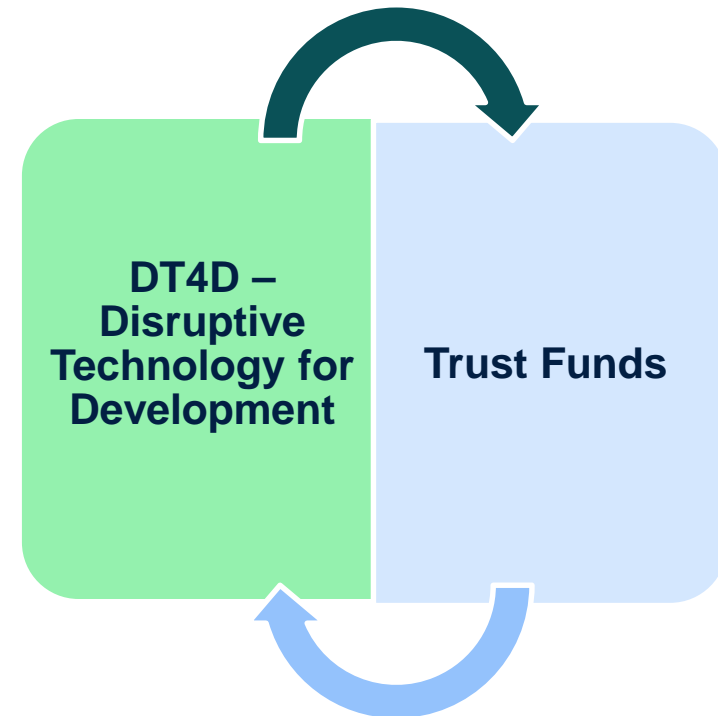


...and leverages regional and international commitments for digital entrepreneurship development in Africa

Regional/International mandates/strategies/initiatives

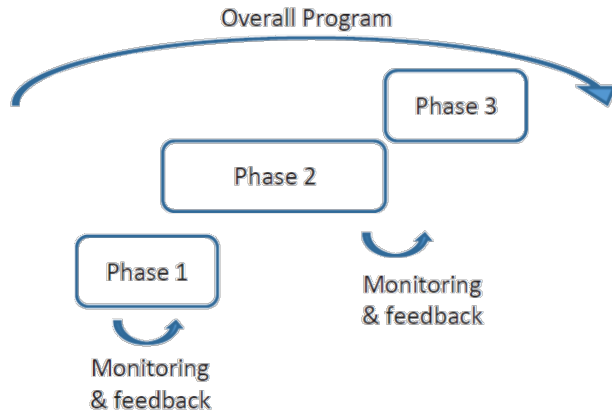


Leveraging Trust Funds directly or via existing platforms such as DT4D Trust Fund

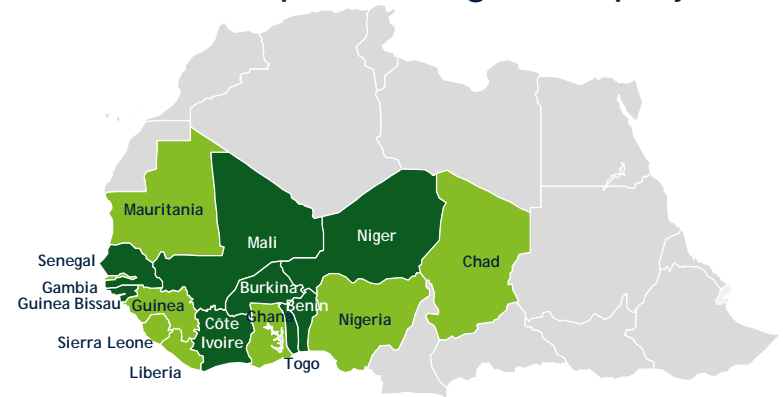


Success would only be achieved with a modular, regional, scalable and direct engagement with ecosystems stakeholders

Modular – agile program structured as a set of shorter overlapping phases

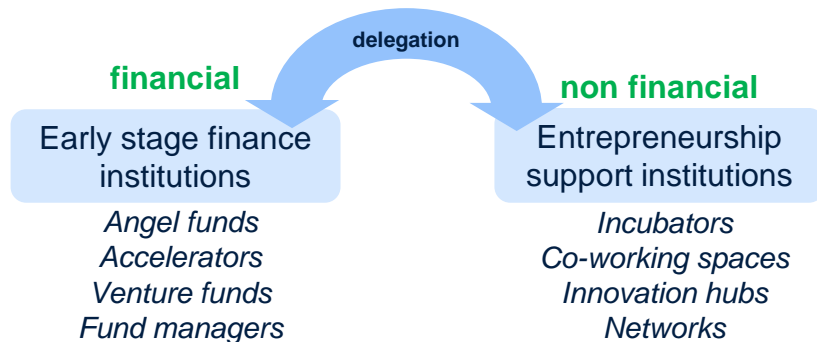


Regional – a first phase focused on West Africa complementing WBG projects



Over 30 national projects in ECOWAS & WAEMU

Direct – support channeled through national ecosystems implementers aligned with national strategy



Crowding in private solutions

Foster Commercial Investment

- Create demonstration effect
- Risk sharing
- “Prime the pipe” of aspiring entrepreneurs
- Grow the number of early stage funded companies

Achieve Market Exits

- Build exit market capacity
- Grow # of regional entrepreneurs
- Grow # viable startups



Abidjan



Accra



Dakar



Lagos



Nairobi



Cape Town

WAEMU will benefit from a regional approach developing the foundational building blocks for a digital single market

CROSS BORDER ISSUES, OFTEN OVERLOOKED BY NATIONAL PROGRAMS, STRENGTHENING REGIONAL INTEGRATION

- 1 **Physical connectivity** between WAEMU countries, including financial sector infrastructure for interoperability of mobile money platforms and integration of digital financial systems across borders (e.g. roaming, portability, interconnection, etc.)
- 2 **Manage movement of people, goods, money across borders**, including **country specialization and collaboration**, with Dakar and Abidjan tech hubs ahead of other WAEMU countries that can pilot digital entrepreneurship and digital skills interventions.
- 3 **Regional solutions to constraints facing multiple countries** such as the uptake of disruptive technologies to combat desertification and climate shocks (Great Green Wall), improve productivity and efficiency of regional value chains (livestock, horticulture, cotton, etc.), or manage **cross-border fragility and resilience** and security threats (e.g. cybersecurity, interoperability of digital IDs).

BUILD A SINGLE REGIONAL DIGITAL MARKET ACHIEVING GREATER ECONOMIES OF SCALE AND SPILLOVER BENEFITS

- 4 **Regional platform and harmonization**, coordinating countries' efforts to negotiate, harmonize approaches and share lessons, and convening various initiatives such as Digital Africa (AFD), Boost Africa (AfDB) and i4policy (AUC) under a DE4A Moonshot Platform (such as WACA Platform).
- 5 **Attract private capital**, although WAEMU countries share the same macroeconomic fundamentals, single market and currency, its small size markets are fragmented, which is not conducive for new asset classes such as angel investing and venture capital, whose investment strategies seek to share the risks among countries (such as the Housing Financing Scale-Up Facility).
- 6 **Maximize agglomeration benefits**, that can increase competition amongst providers, lower costs, and enhance quality for citizens (e.g. e-commerce, geo-localization)

DEVELOP A REGIONAL FRAMEWORK FOR USE ACROSS COUNTRIES, LEVERAGING WAEMU'S REGIONAL BODIES

- 7 **Regional institution strengthening**, helping bring WAEMU institutions up to speed with the private sector as part of Pillar II (Boost) of WBG value proposition on Disruptive Technology for Development that aim at expanding the capacity of people and institutions to thrive in a resilient society in the face of disruption.

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Program overview

West Africa Digital Entrepreneurship Program

Strengthening digital entrepreneurship & financial ecosystem and increasing the supply of private capital for tech-enabled startups and innovative SMEs

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Digital ecosystem and digital skills (pages 19-23)

2

Generating deal flow and unlocking capital (pages 24-28)

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Harmonizing regional digital policies and platforms (pages 29-33)

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Coordination (pages 34-35)

Component 1

West Africa Digital Entrepreneurship Program

Strengthening digital entrepreneurship & financial ecosystem and increasing the supply of private capital for tech-enabled startups and innovative SMEs

1

Digital ecosystem and digital skills

2

Generating deal flow and unlocking capital

3

Harmonizing regional digital policies and platforms

4

Coordination

1 Digital ecosystem building and digital skills

Objective

This component will address the lack of technical talent and skills, mentors and role models, and expansion of ecosystem providers' capabilities to build digital skills and startups.

Intended impact

Creation of more and better-quality startups and innovative enterprises with potential for receiving seed, early-stage, and early-growth financing as described **under Component 2 - "Generating deal flow and unlocking capital"**.

Types of financing

- 1.1 **Results-based financing to strengthen hubs¹ operations** (HR, value proposition, pre/incubation, co-working, coding, mentorship, rapid-skills development)
- 1.2 **Pre-seed financing to entrepreneurs** in the form of grants (concept, idea, model) and convertible notes (commercialization)
- 1.3 **Resources for open innovation:** brokering contractual relationships between entrepreneurs and large corporates and/or public administration

Mechanism of financing

- Funds will flow through local ecosystem intermediaries** under the leadership of a reputable regional ecosystem provider based on clear targets and following criteria:
- experience on the ground, track record, ability to supply talent, identify mentors, conduct independent rigorous selection process, and participate in regional networks
 - outreach to target beneficiaries, particularly women, youth and entrepreneurs in FCV areas
 - synergies with existing in-country World Bank sponsored entrepreneurship projects

1. Incubators, accelerators and other types of spaces which provide business services to innovative startups that go beyond co-working

1 Digital ecosystem building and digital skills

1.1 Results-based financing to hubs to strengthen their operations and their ability to foster innovative entrepreneurship

Illustrative activities

(to be further elaborated through consultations)

- **Grants to be provided through competitively-awarded performance contracts with ecosystem players based on self-improvement plans to increase the quality and sustainability of services provided:**
 - ✓ value proposition defined
 - ✓ adequate human resources onboard
 - ✓ well performing sustainable pre-incubation and incubation services
 - ✓ accessible and equipped co-working spaces
 - ✓ mentors database developed and mentors matching/training efficient
 - ✓ tailored skills and entrepreneurship trainings
 - ✓ ready-to-market and rapid-skill training programs on digital (i.e. coding bootcamps) provided
- **The project can build on both FCI global and local experience accumulated by:** (i) WBG's long experience of support to entrepreneurship ecosystem providers and especially its *Incubator Support Center (IDISC)* and *Climate Technology Program*; as well as (ii) flagship African's programs such as JambarTech Lab (Dakar), Traction Camps (Nairobi, Cape Town) and Mali'Innov incubators association (Bamako)

Case study of Afric'inn COMMUNAUTÉ D'INCUBATEURS

- Support Francophone African incubators through classroom and online training on incubation management, networking and toolkit platform, certification of incubators, and networking opportunities
- Set up a pilot fund of €450k in 2016 to source (through local partner incubators) and support early-stage startups with interest-free loans from €10k to €30k, given directly to the entrepreneurs with a 24-month pay back period
- WBG is a board member (MoU signed)

Strengths

- Anchor of the program through local incubators
- Strong partnerships with a wide range of stakeholders: corporate, institutional, research, donors

1 Digital ecosystem building and digital skills

1.2 Pre-seed financing to entrepreneurs translating ideas into fundable and marketable products / services

Illustrative activities

(to be further elaborated through consultations)

- **Grants** for early testing or development phases of a business concept, idea or model
- **Convertible notes** or **interest-free loans** in the commercialization phase of products/ services
- Focus on **under-served geographies** (FCV), as well as **tech-enabled filter** rather than tech-only in the selection
- **A.I. powered appraisal process** with 50%+1 financiers on the final selection panel
- **Cohort-based selection process preferred**
- The program will link **one or two regional providers** with local hubs in each participating country to synchronize these pre-seed financing activities with those described under sub-component 1.1
- The project can build on **FCI experience of supervision and impact evaluation of entrepreneurship programs** in two thirds of African countries (cf. David McKenzie, WBG, Position Paper)

Case study of



THE TONY ELUMELU
FOUNDATION

- Committed \$100 million over 10 years, to identify and empower 10,000 African entrepreneurs
- 1,000 entrepreneurs across Africa are selected every year to be awarded \$10k for seed capital, participate to a 12 week program to be equipped with an enterprise toolkit, and to be mentored
- Ongoing reflection to set up convertible notes for the awardees

Strengths

- Pan-African reach with transparent processes already in place
- Strong promotion of entrepreneurship through an aggressive communication anchored around the story of the founder Tony Elumelu

1 Digital ecosystem building and digital skills

1.3 Brokering contractual relationships between entrepreneurs and large corporations and/or public administration through open innovation

Illustrative activities

(to be further elaborated through consultations)

- **Finance an open innovation platform** that will conduct a series of open innovation challenges with select large companies and public administrations, from problem statement to product/service development
- Structured around similar features as **IFC Tech Emerge** and building on the ongoing ASA, the project will enable sector-based open innovation engagements:
 - Sectors: health, energy, transport, agriculture
 - Objective: accelerate the adoption of cutting-edge technologies to solve value-chain challenges, improve public services delivery as well as development challenges and improve outcomes
- The project can build on the pilots currently led by FCI throughout the continent (Mali with **Toyota**, Kenya with **IFC investee companies**, etc.) and the publication being finalized around the topic: **Corporate Startups Collaboration Guide**

Case study of **Société Générale**



- Launched, with the help of the consultancy bluenove, several internal innovation challenges in Société Générale's African offices over the last 2-3 years to select the employees with the best innovative solutions to improve digital banking
 - Opened a Finance Lab in the Jokkalabs incubator in Dakar to incubate and help selected employees develop their innovative solutions and implement them through SG's business units
- Strengths**
- One of the few examples of corporates-startups collaboration in West Africa
 - Engagement can be replicated with other banks which face the same disruption threat

Component 2

West Africa Digital Entrepreneurship Program
Strengthening digital entrepreneurship & financial ecosystem and increasing the supply of private capital for tech-enabled startups and innovative SMEs

1

Digital ecosystem and digital skills

2

Generating deal flow and unlocking capital

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Harmonizing regional digital policies and platforms

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Coordination

2 Generating deal flow and unlocking capital

Objective

This component will strengthen the pipeline of new startups and viable deals for investment, and unlock early stage capital for digital entrepreneurs through angel networks, acceleration and venture capital funds.

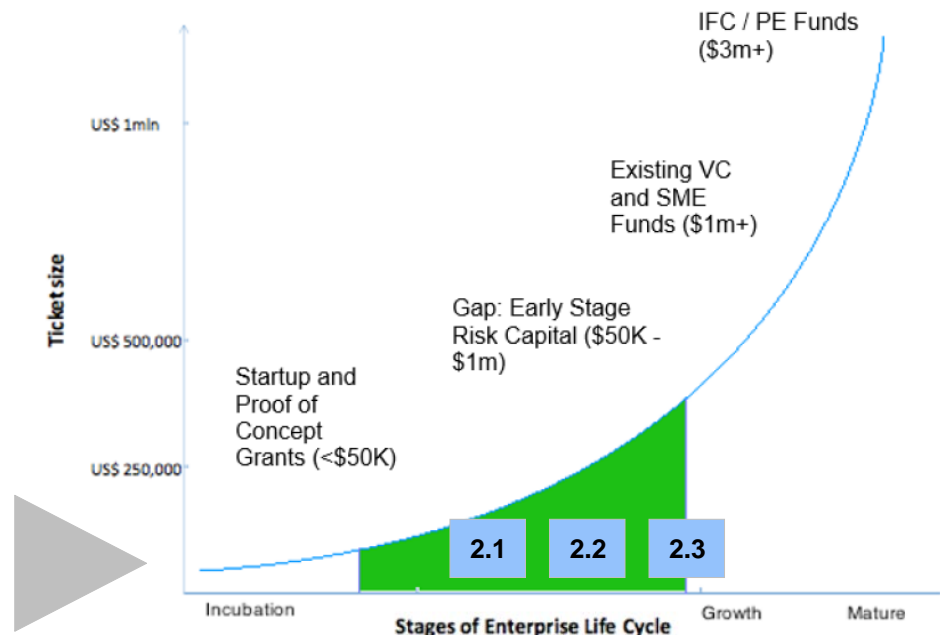
Intended impact

Provide long-term financing solutions by leveraging both public and private sources of funding to startups and SMEs with equity or quasi equity capital and investment-readiness assistance

Funding support and financing options

- 2.1 **Establishment and/or scaling of alternative financing mechanisms** such as business angel funds and crowdfunding platforms
- 2.2 **Acceleration programs with a strong focus on investment-readiness**
- 2.3 **Seed, early-stage and early-growth equity funding (indirect, through funds)**

Stylized representation of the early-stage financing gap for innovative enterprises



2.1 Establishment and/or scaling of alternative financing mechanisms such as business angel funds and crowdfunding platforms

Illustrative activities

(to be further elaborated through consultations)

- Create an independently operated, third-party **matching program** that matches every angel and/or crowdfunding investment made by a “targeted” tech-savvy angel list, within a pre-established threshold
- **Technical assistance and funding** may be provided to help open local business angel clubs and crowdfunding platforms
- Objective: **formalize, expand, build capacity of alternative financing mechanisms**
- **The project can build on the experience accumulated by WBG’s expertise in alternative early-stage financing methods**, such as its reports *Crowdfunding in emerging markets* or *Creating your own angel investor group*, and more recently its *Early Stage Finance Collaborative (ESFC)*

Case study of



- One of the few crowdfunding platforms dedicated to support African startups and SMEs
- Set-up in France, and officially accredited as CIP (Conseiller en investissement participatif)
- Currently has 9 projects looking for funds
- Successfully raised €450k raised for one startup

Strengths

- Leverage availability of funds from developed countries (especially diaspora) to support startups in Africa
- Pan-African reach

Acceleration programs with a strong focus on investment readiness

Illustrative activities*(to be further elaborated through consultations)*

- Acceleration programs typically feature **time-limited investment readiness support (3 – 6 months)** composed of programmed events, training with a specialized curriculum, intensive mentoring, and potentially seed financing
- **Funding can be provided to support newly-created and existing acceleration programs (excluding building infrastructure)** that have a strong focus on helping their clients prepare their expansion plans to regional/international markets and getting investment-ready to pitch/present to seed and early-stage funds, two crucial gaps in the current ecosystem given the small size of the market
- Based on the experience of similar features as **XL Africa program**, the activity will be structured specifically to meet regional needs

**Case study of XL Africa**

- 3-month accelerator program offering 20 startups 2-month mentorship and courses, in addition to a 2 week boot camp in South Africa resulting in strong connections to investors
 - Goal: getting the 20 best SSA digital startups to investment-readiness and to raise \$250k-1.5m each at the end of the program
 - Partnered with Orange, Microsoft, Thomson Reuters, as well as angel networks and VCs
- Strengths**
- 50+ world-class mentors and unique curriculum
 - Connection of the accelerated startups to 80+ investors (VCs, angels...)
 - Very high level, investor-led, selection of the top startups in SSA

2 Generating deal flow and unlocking capital

2.3 Seed, early-stage and early-growth equity funding

Illustrative activities

(to be further elaborated through consultations)

- Funding will be provided in the form of **capital to newly-created and existing funds who provide equity and quasi equity financing to startups** covering seed level, early stage, and early growth capital needs
- **Specific concessional terms and incentives will be provided for investments in underserved segments (smaller size tickets), geographies (FCV) or sectors (health, agribusiness)**
- **Several large corporates have investment funds such as: ENGIE Rassembleurs d'Energie, Danone Communities, Orange Digital Ventures and OCP**
- Many lessons can be learned from FCI engagements in MENA (Lebanon, Morocco, Jordan), and Access to Finance program (Ghana, Kenya)

Case study of I&P



- 3 of its 4 funds invest directly into startups and SMEs with investment between €300k to 1.5m
 - The other fund supports smaller local funds which have a focus on early stage entrepreneurs: 5 funds launched until now, and 5 others will be launched
 - The 5 operational funds include four in West Africa: Teranga Capital (€6m), Sinergi Niger (\$1m), Sinergi Burkina Faso (\$3m), Comoe Capital (\$8m)
- Strengths**
- 15 years track record
 - Funds which are able to invest small tickets between \$50k and \$300k
 - Local presence in Senegal, Niger, Cote d'Ivoire, Burkina Faso, Niger and Cameroon

Component 3

West Africa Digital Entrepreneurship Program

Strengthening digital entrepreneurship & financial ecosystem and increasing the supply of private capital for tech-enabled startups and innovative SMEs

1

Digital ecosystem and digital skills

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Generating deal flow and unlocking capital

3

Harmonizing regional digital policies and platforms

4

Coordination

3 Harmonizing regional digital policies and platforms

Objective

This component will support reforms of key policy, regulatory and institutional frameworks affecting the digital economy and entrepreneurship at the regional level.

Intended impact

Conducive policy, regulatory and institutional environment for public and private digital platforms, digital financial services, and digital entrepreneurship that lay the foundations for a regional digital economy

Creating conducive regulatory environments and fostering regional policy harmonization

Illustrative actions

3.1 Enabling digital government platforms with key impact on private sector

Design a legal and regulatory framework to ensure regional interoperability of digital IDs, based on common policies, systems, and standards

3.2 Spurring enabling regulations for digital finance systems and fintech to facilitate contracting and transacting in a digital world

Design a regional regulatory framework for FinTech sector, following the creation of a dedicated Advice Unit and of a regulatory sandbox as a test environment to support the development of FinTech players

3.3 Develop an enabling policy, institutional and regulatory framework for entrepreneurship ecosystems, VCs and digital skills

Review and amendment of the regional regulatory framework on private equity and venture capital industry in line with international best practices

Illustrative activities*(to be further elaborated through consultations)*

- Design a legal and regulatory framework to **ensure regional interoperability of digital IDs**, based on common policies, systems, and standards
- Adopt a regional approach to **ensure the interoperability of spatial data infrastructure** (physical addresses) to promote geo-location of citizens
- Hold regular Business Reverse Pitches or Hackathons to explore how digital solutions can help **deliver better public services in innovative ways**
- The project can build on the experience from FCI and DD in the Senegal **Development Policy Operations** and WAEMU Digital Economy TA as well as in the **West Africa Unique Identification for Regional Integration and Inclusion** (WURI)

Case study of WBG's ID4D program

- In addition to general and global efforts, work with the regional bodies towards harmonizing standards to ensure that identification systems in individual countries are developed in an integrated, interoperable manner to enable improved regional cooperation and cross-border integration
- Simultaneously work on developing engagement with multiple countries in West Africa on the topic, as well as broaden the scope of engagement with ECOWAS to increase its capacity in enabling regional interoperability

Strengths

- Leverage the WBG's multi-sectoral expertise by operating across global practices and units
- Full commitment of WBG's senior management on the agenda

Spurring enabling regulations for digital finance systems and fintech to facilitate contracting and transacting in a digital world

Illustrative activities

(to be further elaborated through consultations)

- **Ensure regional interoperability of mobile money platforms** across service providers for integral solutions, revenue sharing models to lower costs for consumers
- Design a **regional regulatory framework for FinTechs**, following the creation at the BCEAO level of an **Advice Unit** specifically for FinTech to respond to any regulatory queries, and of a **regulatory sandbox** to provide a test environment to support the development of FinTech players
- Further promote privacy and safety regulations **to enhance consumer protection** and increase the uptake of digital financial services
- Enhance **regional regulation on micro-finance and agent banking** to further expand the usage of mobile money
- The project can build on the experience accumulated by FCI in East-Africa

Case study of Sierra Leone's FinTech Sandbox



- Enable innovative FinTech products, services and solutions to be deployed and tested in a live environment prior to launch into the marketplace, within specified parameters and timeframes
 - Facilitate the central bank's understanding of emerging technologies and support evidence-based approaches to regulation that advance the goals of financial inclusion, financial stability and integrity, as well as consumer protection
- Strengths**
- Fruit of the collaboration between regulators, non-traditional market players, licensed financial institutions and other partners
 - Best practice to pilot innovative solutions, especially in a fragile state context

3 Harmonizing regional digital policies and platforms

3.3 Develop an enabling policy, institutional and regulatory framework for entrepreneurship ecosystems and skills

Illustrative activities

(to be further elaborated through consultations)

- Support the design and adoption of a **regional regulation for startup companies**, by encouraging deliberations between ecosystem players and legislators. Dealt at WAEMU level include ease of starting business, protecting minority investors, enforcing contracts
- **Align regional intellectual property regime with global standards** to cover digital/ tech-enabled firms (reglement N. 01/2005/CM/UEMOA and reglement N. 007/2007/CM/UEMOA only cover IP through the lens of food, animals and vegetal)
- Amend existing **regional legal and regulatory framework for private equity and venture capital industry** in line with international best practices, in particular WAEMU's Acte Unique on PE/VC Funds and Funds Managers
- Prepare a **regional tax reform plan for IPOs** on BRVM with CREPMF and WAEMU Council
- The project can build on the experience accumulated by FCI and DD in the Senegal's **Development Policy Operation**

Case study of i4policy



- Alliance of African innovation hubs that developed a policy hackathon methodology putting startup ecosystem players in the shoes of policymakers
- Using this approach, the Alliance has designed policy frameworks in Rwanda and Nigeria and co-created a Pan-African Innovation Policy Manifesto

Strengths

- Methodology proven successful with followed-up legislation after consultation of ecosystems
- Experience in different African contexts
- Strong momentum among policymakers and ecosystem players thanks to the manifesto

Component 4

West Africa Digital Entrepreneurship Program

Strengthening digital entrepreneurship & financial ecosystem and increasing the supply of private capital for tech-enabled startups and innovative SMEs

1

Digital ecosystem and digital skills

2

Generating deal flow and unlocking capital

3

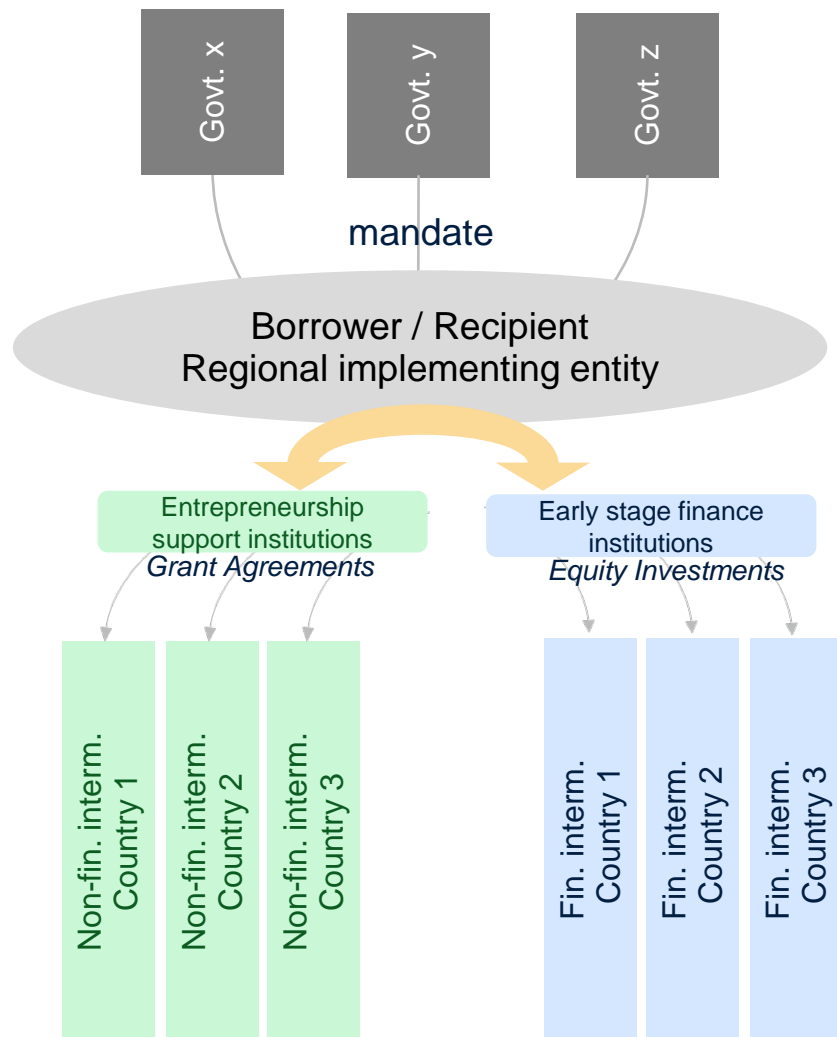
Harmonizing regional digital policies and platforms

4

Coordination

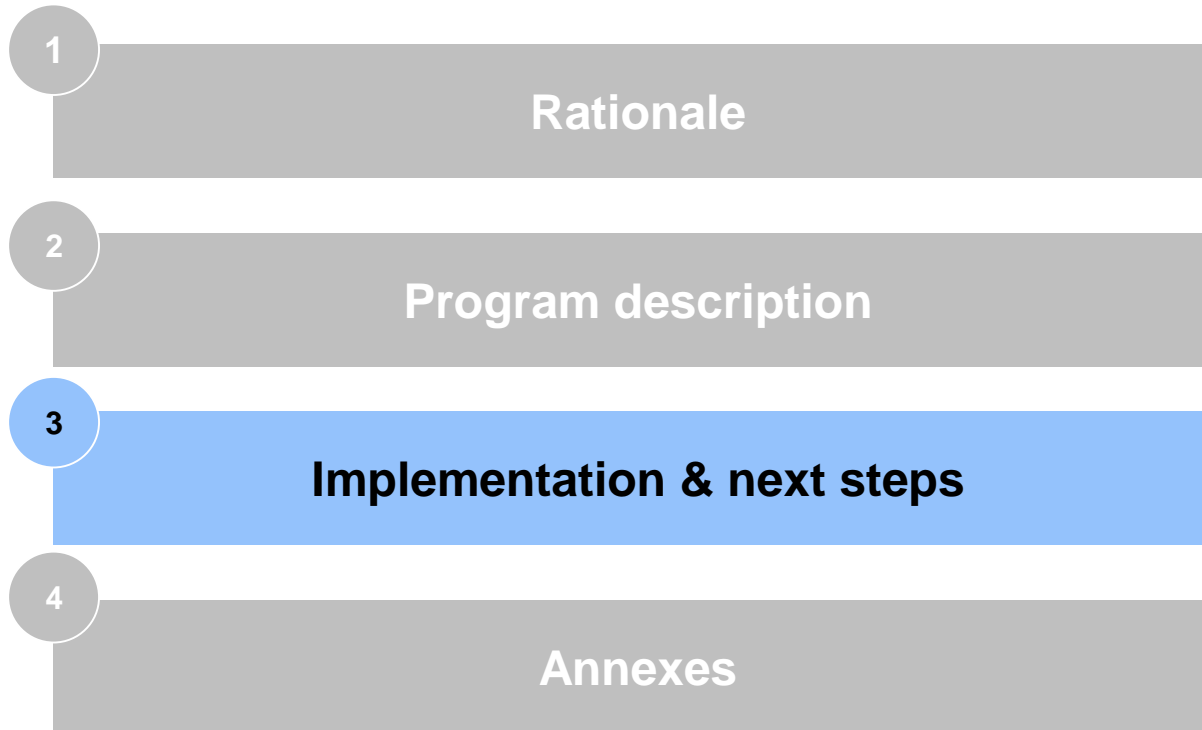
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Coordination



- **One or more regional/sub-regional entity will be identified to implement the project activities.** Potential regional/sub-regional entities eligible for the regional IDA SUF include BCEAO, BOAD, and EBID.
- Governments may sign agreements with the regional implementing entity who will implement the program's components and activities.
- Funding will **support the regional implementing agency(ies) management and operational costs** including coordination, and monitoring and evaluation, safeguards, fiduciary management and reporting.
- The team will explore the possibility of doing an **impact evaluation** of the project or some of its key activities.
- Funding will also cover **strengthening of institutional capacities of regional and sub-regional project partners and intermediaries** to support startups and innovative SMEs.
- **Phase 1 operation will cover eight WAEMU countries using a single borrower – BCEAO/ BOAD / EBID.**

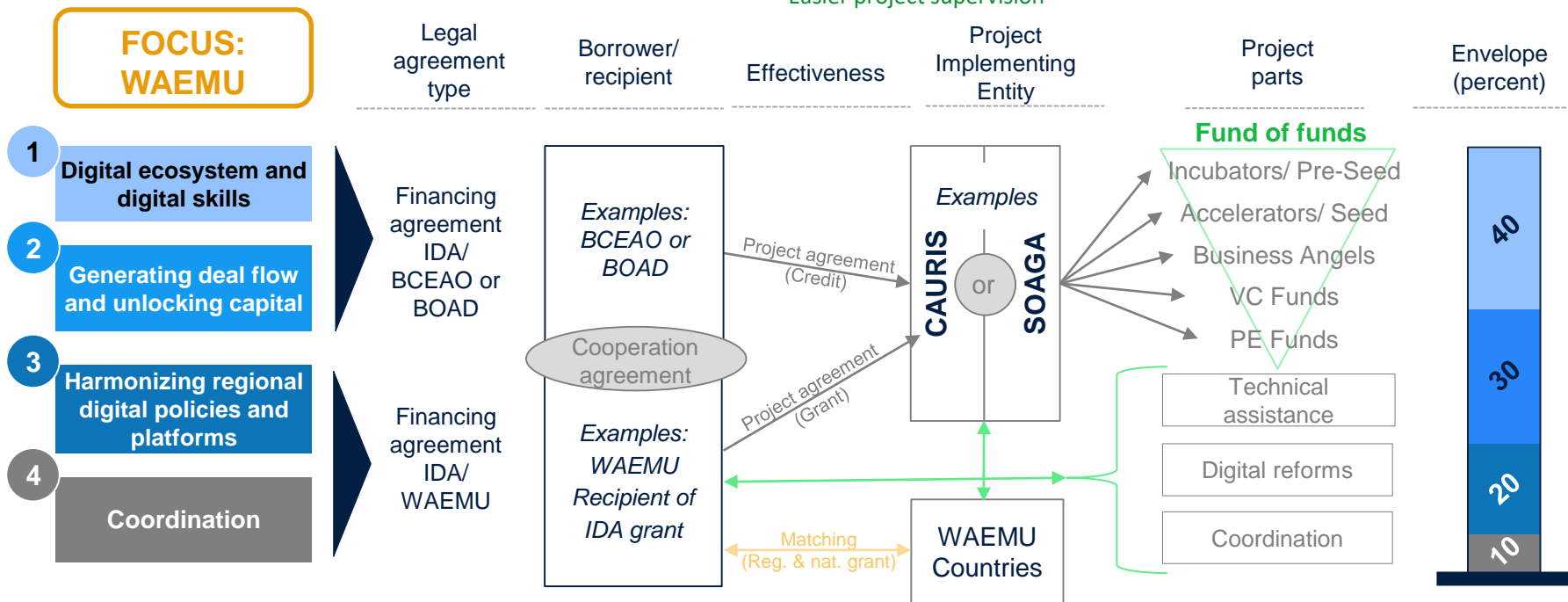
CONTENT



Implementation through a Regional Financial Facility's portfolio balancing investments and risks across various company development stages in multiple markets to enable a positive aggregate return

- Economies of scale will lower implementation costs
- Promotes regional integration—one coordinating facility provides the opportunity for coordinating cross-country collaborations and joint ventures
- Easier project supervision

This Slide only is an illustrative implementation arrangement



Comments	Signed agreements for both grant and credit financing represented respectively by Commission or BCEAO (Recipient) and BCEAO or BOAD (Borrower)	Cooperation agreement between the recipient and the borrower	Synergies/ matching with national IDA portfolio/ pipeline	At least three Implementation manuals to be prepared and adopted (Borrower/ Recipient/ Project Implementing Entity). More if national IDA mobilized.	Support to financial and non financial intermediaries through a Fund of Funds	Mix of Regional and National IDA contribution towards Regional program. Maximizing Finance for Development with leverage expected from intermediaries
		Subsidiary Agreement to be signed between the recipient and borrower and the Project Implementing Entity			TA, policy, coordination, and Impact Evaluation	

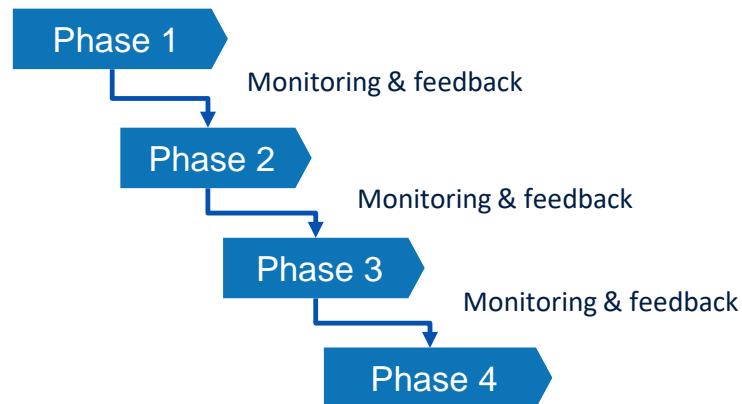
An regional program would be the most appropriate instrument for scalability and learning between phases

ILLUSTRATIVE
BASIS FOR NEXT PHASE

Multi-phases programmatic approach

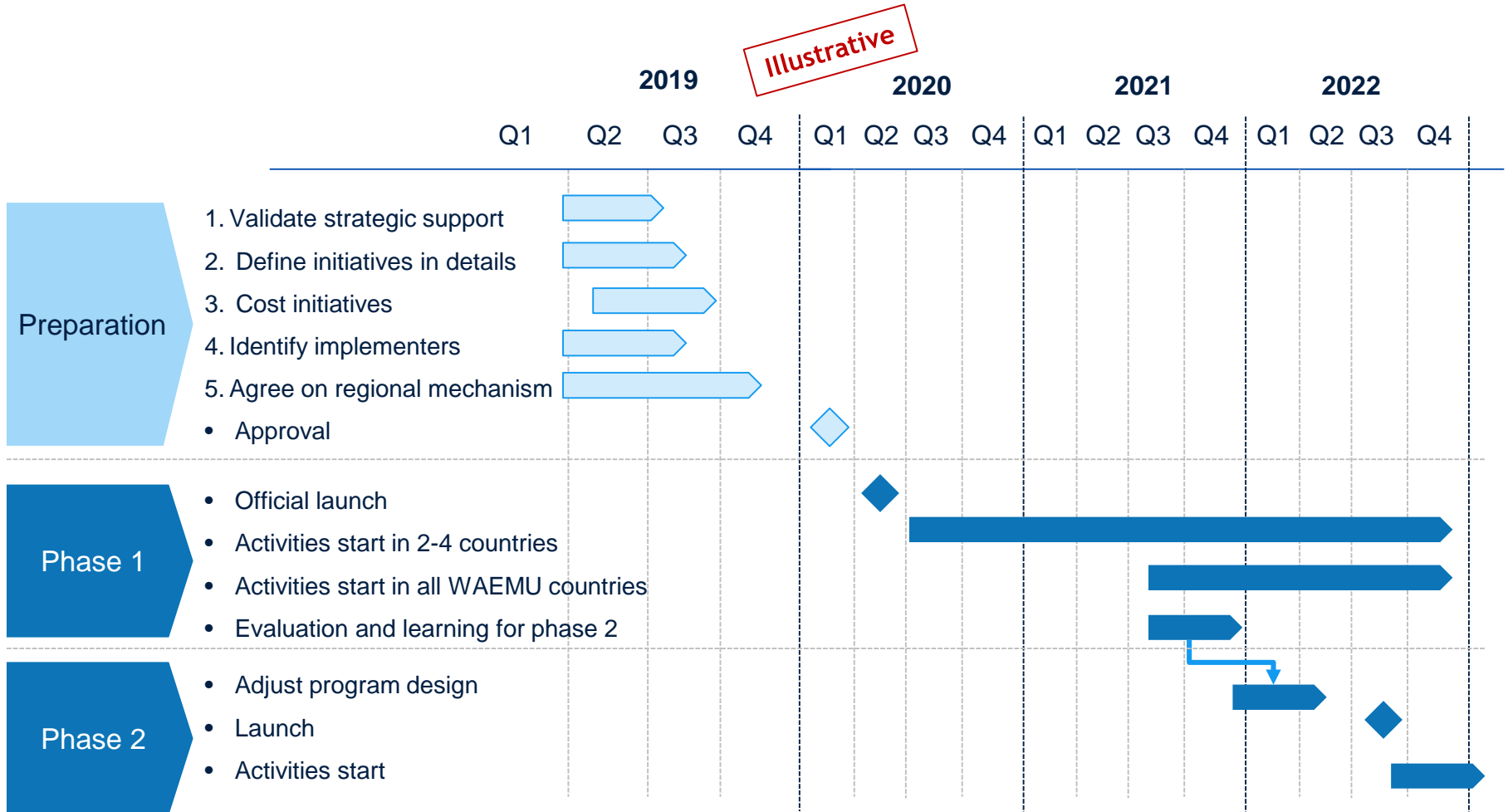
	Geographical Area	Borrower
Phase x	<ul style="list-style-type: none"> West African Economic and Monetary Union (WAEMU) 	<ul style="list-style-type: none"> WAEMU countries through BCEAO & BOAD with CAURIS & SOAGA
Phase y	<ul style="list-style-type: none"> West Africa Monetary Zone (WAMZ) of the Economic Community of West African States (ECOWAS) plus G5 Sahel 	<ul style="list-style-type: none"> WAMZ countries of ECOWAS plus Mauritania and Chad through EBID
Phase z	<ul style="list-style-type: none"> Economic Community of Central African States (ECCAS) East African Community (EAC) Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC) 	<ul style="list-style-type: none"> Countries of ECCAS, EAC, COMESA and SADC through relevant regional development banks with dedicated investment and/or asset management institutions

The proposed approach



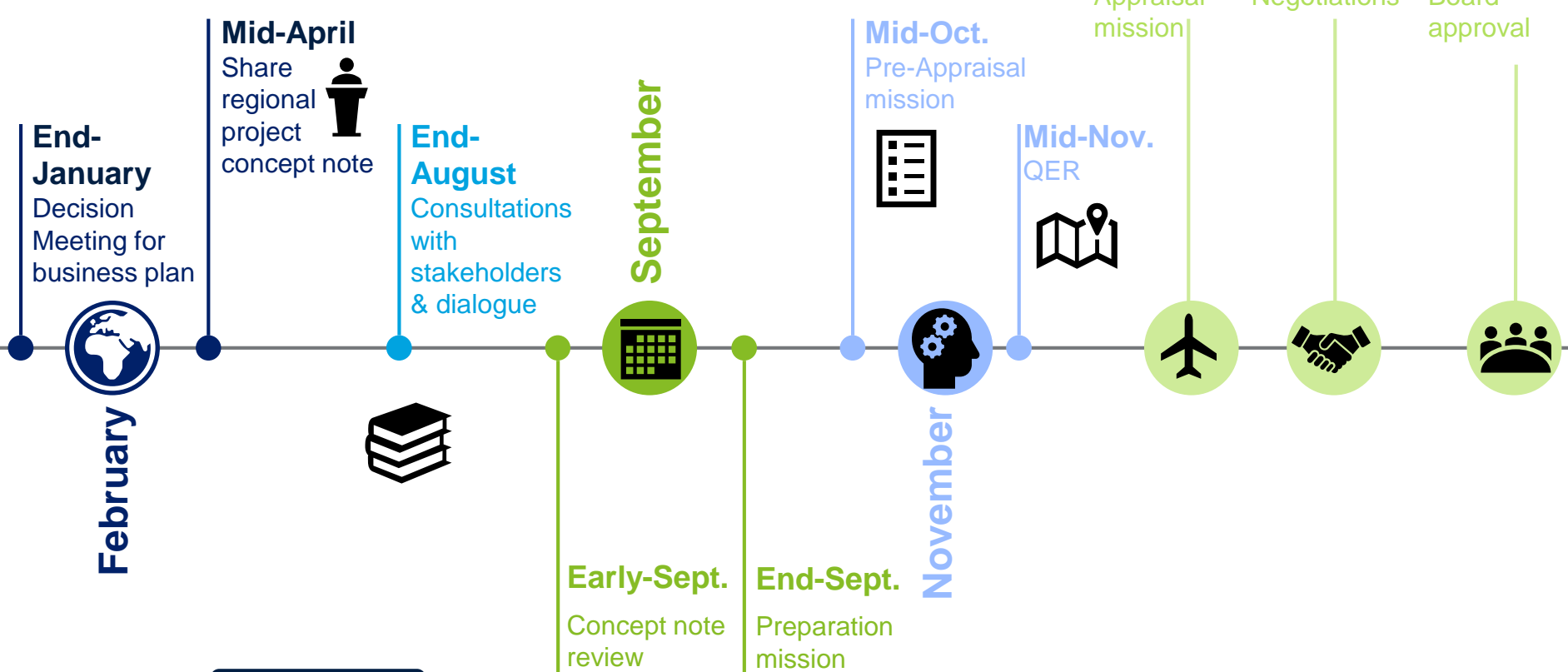
- Each phase is independent and has its own borrower
- Phases are modular and the program scales up as we move to another phase

Phase 1 of the program could be launched in Q1 CY20; phase 2 would follow in 2022 after learning has been captured



Next 500 days: key milestones

Illustrative



CORE TEAM

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CONTENT

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Rationale

2

Program description

3

Implementation & next steps

4

Annexes

Annex 7 – 900+ ecosystem stakeholders were engaged

Annex 6 – Lessons learned from WBG engagements

Annex 5 – Risks associated with each component of the project

Annex 4 – Measuring impacts

Annex 3 – Illustrative initiatives for each subcomponent

Annex 2 – Feedbacks from 500+ interviews on the 5 main constraints

Annex 1 – Synthesis of the analyses of the West African ecosystem

Annex Box

Annex 7 – 900+ ecosystem stakeholders were engaged

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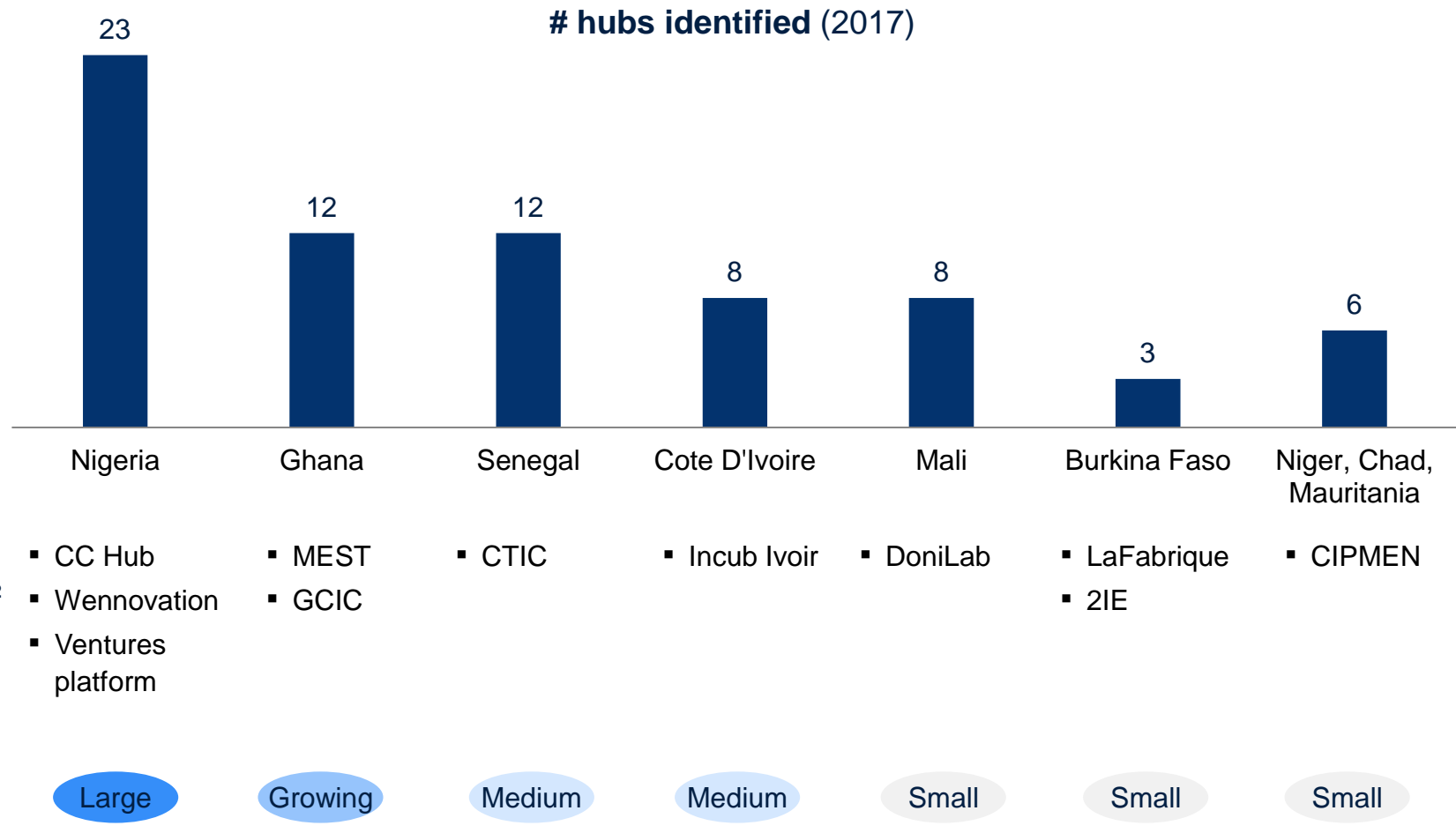
Annex 2 – Feedbacks from 500+ interviews on the 5 main constraints

Annex 1 – Synthesis of the analyses of the West African ecosystem

Annex Box

Annex 1 – Synthesis of the analyses of the West African ecosystem

Many innovation hubs¹ have recently emerged in West Africa, but only a few of them provide value-adding business services to startups yet



1. Incubators, accelerators and other types of spaces which provide business services to innovative startups that go beyond co-working

2. Based on ecosystem stakeholders' interviews

Sources: Organizations' websites, Interviews, Crunchbase, VC4A, WB Mapping of hubs active in Africa, Afric'innov, DGGF

More and more programs adopt the qualifier “accelerator”, but most only offer superficial access to mentors and investors, resulting in few promising startups landing investments to scale their businesses

- **Accelerator programs (APs) characteristics vary and depend on the level of maturity of the countries' entrepreneurial ecosystem:** in nascent ecosystems: offering short-term business development services for startups at early stages vs. in more mature ecosystems: offering mentorship, access to networks and to VC/capital to high-growth startups; donors led vs private sector led
- **Mentorship is underdeveloped:** APs struggle identifying and committing a sufficient pool of quality and experienced mentors (knowledgeable serial entrepreneurs) able to give value/insights to their cohorts of startups
- **Access to finance remains limited:** one of the key elements defining APs is their aim of providing access to capital, however, in SSA APs' participants are rarely able to secure investments with the help of these programs, which rarely have connections and partnerships with investors and whose teams lack critical corporate finance skills
- **Access to networks is limited:** all APs face a lack of international business networks to help their startups grow internationally and are not connected enough among them (to share their networks in addition to best practices)
- **Weak pipeline and selection process:** getting the right entrepreneurs is key to be credible in front of investors, but most APs' selection processes aren't very rigorous or competitive
- **Increasing participation of foreign companies:** Google runs its own AP “Launchpad”, Facebook will launch its own AP in 2018, while global APs such as 500Startups or Y Combintor increasingly select African startups (esp. Nigerian)
- **APs can only bring results if certain prerequisites are met:**
 - Level of maturity of the local ecosystem has to be strong enough
 - Right scope has to be defined: national vs. regional (disparities between countries can be detrimental to the APs)
 - Strong team, clear objectives, high selection criteria, extensive network, and customized curricula

Only a few business angel networks are active in the region, most angels still invest individually

Business angels networks

Key characteristics

Pan African networks:

- African Business Angel Network (ABAN)



- ABAN, like all major business angel networks, is a nonprofit organization and never invests directly in startups
- Their main purpose is to build awareness on angel investments in African startups and help setting up or existing local networks
- Creating a sustainable business angel ecosystem is a slow process, e.g. it took two years to create an ecosystem in Lagos

Local BA networks:

- Lagos Angel Network (LAN)



- Local business angel networks work in partnership with Pan African networks, which provide them with training, tools and support, and base their actions on them to build sustainable local business angel ecosystems
- Operate locally, invest in local startups, only when knowledgeable about the sector and innovation ecosystem (bottom up approach)

Early stage networks:

- EIC Corporation
- JCS
- GAIN
- Ivoire Angels
- Africangels
- Angel Fair Africa

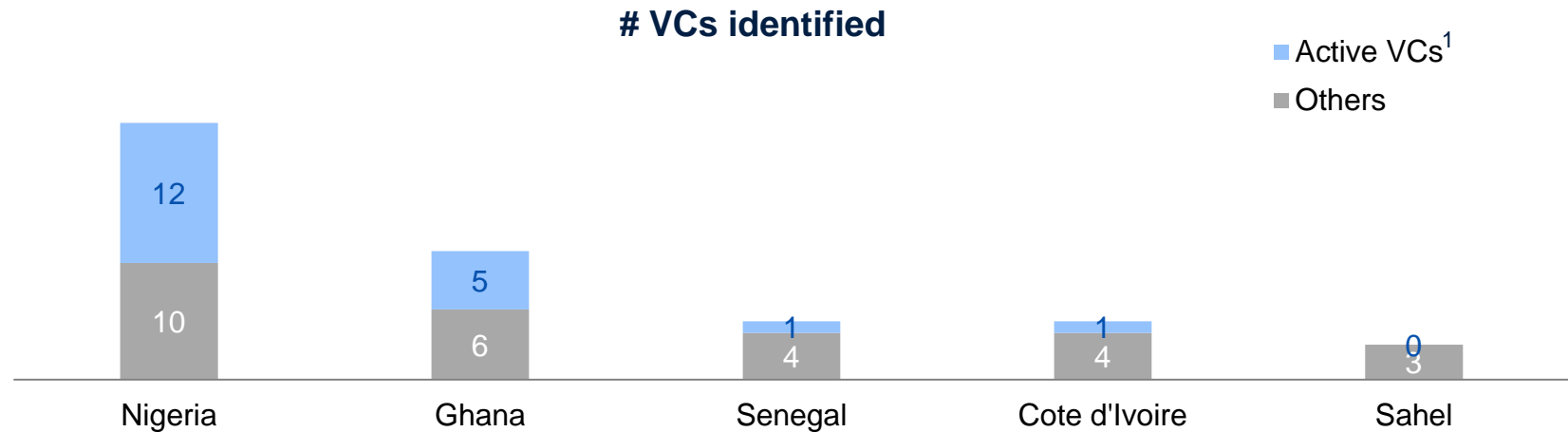


- Very small organizations consisting of 1 or 2 business angels trying to find other angels to link with to create networks
- Until now mostly offer consulting rather than investment
- Some networks are more focused on organizing promotion events, e.g; Angel For Africa, event annually organized in Cote d'Ivoire

Setting up viable business angel networks has to be done locally (knowledge of the field and of the local ecosystem is key) and with a long term view

Annex 1 – Synthesis of the analyses of the West African ecosystem

While many VCs are said to cover the region, only 19 have been identified as active, mostly with a regional scope except at seed stage



Active VCs

- Ventures platform
- Greenhouse Cap.
- Growth Capital
- Microtraction
- Lead path
- VilCap Investments
- DDF Capital
- EchoVC
- Singularity Invest
- Omidyar Network
- TLcom Capital
- IFC VC

- Singularity Invest
- Golden Palm
- Greentec Capital Partners
- DDF Capital
- Energy Access Ventures







- Teranga Capital

- Comoe Capital

- Sinergi Burkina
- Sinergi Niger
- Forth Investments

Annex 1 – Synthesis of the analyses of the West African ecosystem

8 major donors programs provide or will soon provide dedicated support to startup ecosystems in West Africa





Dedicated program ¹²³	Funds (\$m)	Countries	Support			Comments
			Incubator	Startup	VC funding	
 Boost'Africa	300	• Pan-African	✓	✗	✓	One of the most ambitious programs consisting of a fund of funds with a technical assistance component for funds and incubators
 AFD AfricNov Digital Africa	80	• Pan-African	✓	✓	✓	Ongoing support to African incubators (training) and startups (interest free loans), and more holistic program including support to funds launched in 2018
 African Union		• Pan-African	✓	✓	✓	Holistic program to be launched in 2019
 PACE	No public information available, but budget likely to be between \$1m to \$5m	• Pan-African	✓	✓	✓	One of the oldest program, supporting incubators, accelerators, and seed-stage impact investors
 Make IT		• Nigeria • Kenya	✗	✓	✗	Pilot accelerator program in 2 countries, and more holistic program to be launched
 OiF		• Francophone Africa	✓	✗	✗	Program to mainly support incubators

1. Are included only programs above \$500k budget and with publicly available information
2. Other donors such as UNDP, DFID, IDB, are also supporting on ad-hoc basis startup ecosystems
3. Are included only programs dedicated to support the startup ecosystems; other SME programs exist

Sources: Organizations' websites, interviews

Annex 1 – Synthesis of the analyses of the West African ecosystem

DFIs have traditionally funded private equity funds in Africa but are now just starting supporting venture capital funds

	Startup direct investment	VC funding	Comments
	✓	✓	<ul style="list-style-type: none"> • Has invested in 1 SSA focused VC fund (Partech Ventures Africa) • Directly invest in growth startups in SSA • Is extending its Startup catalyst program to SSA
	✓	✓	<ul style="list-style-type: none"> • Has invested \$30m in 3 SSA focused VC fund • Invest min. ticket of \$12m into established companies with growth potential
	✓	✓	<ul style="list-style-type: none"> • Invest \$5-10m tickets in SSA focused VC funds (eg TLcom Tide Africa Fund in 2016) • Invests min. ticket of \$10m into established companies with growth potential • Increasingly interested in investing directly in startups
	n/a	✓	<ul style="list-style-type: none"> • Invest in funds of funds (eg Triple Jump) • Provide grants and technical assistances to incubators and ecosystems (eg Impact Hub in West Arica, Innov'Up)





Private and corporate foundations have also started providing support to startup ecosystems, mainly through accelerators programs and funds

	Origin	Main initiatives ¹²³ on startup ecosystems
	<ul style="list-style-type: none"> Philanthropist, Tony Elumelu 	<ul style="list-style-type: none"> Run a program to support 10,000 early-stage entrepreneurs with \$100m fund over 10 years
	<ul style="list-style-type: none"> Philanthropist, Bill Gates 	<ul style="list-style-type: none"> Promote use of technology for inclusive growth (eg Financial Inclusion Global Initiative with the World Bank/UFA 2020)
	<ul style="list-style-type: none"> King Baudouin of Belgium 	<ul style="list-style-type: none"> Finance, through grants, innovation hubs in Africa About to provide \$10m for WBG disruptive technology development program, in partnership with Credit Suisse to leverage more financing
	<ul style="list-style-type: none"> Master Card 	<ul style="list-style-type: none"> Finance, through grants, innovation hubs in Africa (UAC Startup valley, Village Capital)
	<ul style="list-style-type: none"> Sainsbury Family Charitable Trusts 	<ul style="list-style-type: none"> Finance, through grants, innovation hubs in Africa (EtriLabs, Hapaspace, iSpace, AfriLabs)
	<ul style="list-style-type: none"> Shell 	<ul style="list-style-type: none"> Invested in GroFin to provided \$100mn of financing to small and growing African Businesses

1. Are included only initiatives above \$500k budget and with publicly available information
2. Other initiatives such as Thomson Reuters Trust Law, AfricaFrance are also supporting on ad-hoc basis startup ecosystems
3. Are included only initiatives dedicated to support the startup ecosystems; other SME programs exist

Sources: Organizations' websites, interviews

Foreign tech and telecom companies have been increasingly engaged with startup ecosystems in SSA

	Incubator support	Own incubator	Startup direct investment/ support	Comments
	✓	✓	✓	<ul style="list-style-type: none"> Support existing incubators, accelerators and funds in SSA Set up own accelerators under the brand Orange Fab in Senegal & Cote d'Ivoire Invest in SSA tech startups through the \$50m fund Orange Digital Ventures Africa, based in Dakar
	✓	✓	✗	<ul style="list-style-type: none"> Support existing incubators and accelerators Set up own accelerator under the brand Launchpad in Nigeria Run digital skills programs and support developer communities
	✗	✓	✓	<ul style="list-style-type: none"> Set up own incubator Y'ello Startup in Cote d'Ivoire Run the Pan African Venture Incubation Program Organized several startup competitions
	✓	✗	✓	<ul style="list-style-type: none"> Support existing incubators and accelerators Provide grants, training, mentorship and networking opportunities to startups Run digital skills programs
	✗	✗	✓	<ul style="list-style-type: none"> Support existing incubators and accelerators Host and train startups on Amazon Web services platform for free in their first two years, allowing them to build and scale products
	✓	✓	✗	<ul style="list-style-type: none"> Support existing incubators and accelerators In the process of setting-up own accelerator in Nigeria (with CC-Hub) Run digital skills programs and startup competitions
	✗	✗	✓	<ul style="list-style-type: none"> In the process of setting-up an investment fund for African startups

Open innovation¹ programs have so far mostly been limited to foreign tech companies, even though a few local corporates and governments have recently launched initiatives to foster collaboration with startups

Selected open innovation initiatives

- Orange and MTN set up their own incubator and accelerator programs to foster collaboration between their business units and startups
- Google, Facebook and Microsoft have set up initiatives to connect with startups, including startup competitions, accelerators programs, skills training
- Societe Generale has launched an open innovation program “Le Lab” with Jokkolabs in Francophone Africa
- CFAO Motors (Toyota) organized a hackathon with Malian incubators to develop a urban mobility mobile app
- Union Bank is one of the very few local companies to have launched an open innovation program with CC-Hub
- ANSI, Niger’s public digital agency, has been partnering with CIPMEN on challenges to improve public services in rural areas under the initiative “Smart villages”
- The World Food Program collaborated with MakeSense on open innovation workshops in Senegal and with the Chambre d'Agriculture in Cote d'Ivoire

Challenges of open innovation programs

- There is a strong need of “champions” inside targeted organizations to help initiating a cultural shift towards collaboration with startups and ensure follow-up on initiatives
- The low level of digitalization of African companies and institutions is both an opportunity and a barrier
- There is a low level of knowledge of how to run an open innovation program (scope definition, governance, implementation) among all concerned stakeholders (hubs, startups, public and private sectors), hence the need to be supported by experts/consultancy
- The access to finance and/or contract opportunities is key to encourage startups to participate
- While some open innovation programs have been implemented, their scope remains limited and the results aren't yet clear beyond image-building & CSR purposes
- Stakeholders are not very aware of the reasons, expected outcomes and objectives of open innovation, and don't see it as a strategic way to find solutions to their challenges

West Africa’s main startup ecosystems now have attracted the attention of their governments, which have increasingly come up with initiatives to promote and strengthen digital entrepreneurship

Dedicated program ¹²	Country	Comments
 <p>Presidential Initiative for Innovative Entrepreneurship</p>	Nigeria	Launched in 2018 under the Vice-Presidency to support Nigerian startup and tech ecosystems
 <p>Direction de l'Entrepreneuriat Rapide</p>	Senegal	\$2.5m fund managed by a unit created in late 2017 under the Presidency to support startups with seed funding
 <p>Fonds Ivoirien de l'innovation</p>	Côte d'Ivoire	\$200m fund launched in 2016 in collaboration with African Development Bank to support startups in Cote D'Ivoire
 <p>National Entrepreneurship and Innovation Plan</p>	Ghana	New plan designed in 2017 to provide an integrated national support for startups and attract private capital
 <p>Burkina Startups</p>	Burkina Faso	Program rolled out since 2017 to promote entrepreneurial innovation by investing in 100 startups a year
 <p>Smart Villages Project</p>	Niger	Project to be launched in 2018 supported by the World Bank to create a favorable environment for ICT entrepreneurs to improve public services in rural areas

1. Are included only programs with publicly available information

2. Are included only programs dedicated to support the startup ecosystems; other SME programs exist

Sources: Organizations' websites, interviews

D Nigeria – country summary

Hubs

- Lagos has the **most vibrant startup ecosystem**, with some of the most mature incubators / accelerators, CC-Hub leading the way
- Hubs in Abuja and other cities are more nascent, with Ventures Platform showing good potential
- More and more Nigerian startups also make it in **international accelerators** such as 500Startups or Y Combinator which show interest in the Nigerian ecosystem
- Large startup pool with a number of **success stories** in the ecosystem which have become Pan-African / global brands like Andela and Flutterwave

VC & Funding Dynamics

- In terms of **startup investments Nigeria is #1 in West Africa** and #3 in Sub-Saharan Africa
- Increasing VC activity in the country; rise of 100+% YoY in investments (2015-16)
- New local VCs are coming up backed by local high net worth individuals
- **Lagos Angel Network (LAN)** is increasingly active
- For pre-seed and seed funding, grants are provided by the hubs, competitions or local/international donors and foundations (e.g; Tony Elumelu)

Donors and private sector

- Most **tech companies** such as Google, Facebook, Microsoft have startup programs in Nigeria
- 2 Nigerian companies have launched open innovation programs: Union Bank and Honey Well
- World Bank / DFID run the Growth and Employment project, GiZ runs the accelerator program MakeIT
- Tony Elumelu Foundation is the largest pre-seed funding program in Africa

Regulation and government

- Has developed a specific regulation “VC Incentives act” in 2004
- **No dedicated government program** to support startups except the presidential initiative “Aso Villa Demo Day”

c Ghana – country summary

Hubs

- **12 incubators/accelerators are active in Ghana**, MEST being the most mature and having been a strong backbone of the community, while GCIC and Impact Hub Accra show good potential and other hubs still need to be professionalized
- Some decentralisation of startup activities for the past three years, creating a number of city or township ecosystems across the country.
- **Ghana Tech and Business Hubs Network (TBHNG)** gathering over 30 hubs across the country for partnership, collaboration and evidence-based policy on innovation and entrepreneurship
- Growing startup pool with a few success stories in the ecosystem which have become Pan-African brands like Hubtel and Rancard

VC & Funding Dynamics

- In terms of startup investments Ghana is #2 in West Africa, but falls far behind Nigeria
- **5 VCs** are active in Ghana, all with a regional scope and other VCs are getting active in Ghana
- 2 Business Angels networks are present in Ghana, JCS being the professionally managed and active one, while GAIN is more of an advocacy group nowadays
- For pre-seed and seed funding, the only options available are love money or the few grants provided by competitions or international donors and foundations (e.g; Tony Elumelu)

Donors and private sector

- Private sector's involvement in startup ecosystem remains limited to hackathons and competitions (MTN, Kosmos, Google, etc.)
- No donor program dedicated to startup ecosystem, except from a few punctual initiatives

Regulation and government

- Startup creation and registration is not an obstacle
- The government has **gained interest in the startup space** by building the Accra digital centre which is to be a home of the tech ecosystem, and setting up its own Venture Fund to invest in SMEs in 2004 (Venture Capital Trust Fund)

B Senegal – country summary

Hubs

- **11 incubators are active in Senegal**, CTIC being the more established one but currently experiencing a governance crisis, and others being smaller or more similar to coworking spaces with limited business services
- Concentration in Dakar, with some presence in Thies
- Nascent startup pool with little success stories in the ecosystem scaling beyond Senegal except from InTouch and CoinAfrique

VC & Funding Dynamics

- Teranga Capital is the only VC-like investment fund active in Senegal, although **2 VCs with a regional scope** – Orange Digital Ventures Africa and Partech Ventures Africa – are launching now
- No business angel network yet but there are a few initiatives ongoing to establish one
- For pre-seed and seed funding, the only options available are love money or the few grants provided by competitions or international donors and foundations (e.g; Tony Elumelu), and most recently free-interest loans provided by CTIC and Afric’innov proram (up to \$40k)

Donors and private sector

- Orange has set up its own incubator: Orange Fab, and supported the creation of CTIP
- Societe generale set up a fintech Lab with Jokkolabs
- No donor program dedicated to startup ecosystem yet, except from a few punctual initiatives and an **upcoming World Bank project on digital economy**

Regulation and government

- Adopted UEMAO “Loi uniforme” setting the regulatory framework on PE/VC but has not yet issued the implementation decrees
- Presidential initiative launched recently, “Direction de l’Entrepreneuriat Rapide” to support and fund startups

A Cote d'Ivoire – country summary

Hubs

- **8 hubs identified, the main ones being Innovis and Incub'Ivoir**
- Overall more recent development than other comparable countries in the region (e.g. Senegal)
- Concentration in Abidjan, with little development in other parts of the country except from punctual events
- Lack of necessary funding due to unsustainable models relying on subsidies
- Nascent startup pool with little success stories in the ecosystem scaling beyond Cote d'Ivoire

VC & Funding Dynamics

- Comoe Capital is the only VC-like investment fund active in Cote d'Ivoire, where many funds are active but **focusing on SMEs**, even though some start getting interested in startups
- 2 business angels network including Ivoire Angels set-up in 2016 but with **no visible investment activity until now**
- For pre-seed and seed funding, the only options available are love money or the few grants provided by competitions or international donors and foundations (e.g; Tony Elumelu)

Donors and private sector

- **Orange and MTN** have set up their own corporate incubators, Orange Fab and MTN Y'Ello startup, to foster collaboration between their business units and startups:
- No donor program dedicated to startup ecosystem, except from a few punctual initiatives

Regulation and government

- No VC or startup specific regulation
- Adopted UEMAO “Loi uniforme” setting the regulatory framework on PE/VC but it is not fully conducive for PE/VC
- **Gol is launching a \$120m “innovation fund” but with little information available until now**

E Mali – country summary

Hubs

- 8 Hubs in Mali, each with its strengths: DoniLab social innovation, Createam ICT, Impact Hub global network, 3T3Labs agribusiness, Jokkolabs regional network, Bamako Incubateur links with universities, Sankore Labs outside the capital city, CEFA agri/micro-entrepreneurship, but also key weaknesses: lack of staff, weak curricula, etc.
- **Mali’Innov** gathering 5 Malian hubs across the country for partnership, collaboration and lobbying for policies on innovation and entrepreneurship
- Hubs gathered under the project of TAIC (Tubaniso Agribusiness & Innovation Center) due to open in 2018 with activities including inspiration, co-creation, incubation, acceleration
- Small startup pool with no success story in the ecosystem scaling beyond Mali

VC & Funding Dynamics

- No active VC
- No business angel network yet but **a few business angels have made one investment** and could establish a network
- For pre-seed and seed funding, the only options available are love money or the few grants provided by competitions (e.g: PROCEJ) or international donors and foundations (e.g; Tony Elumelu)

Donors and private sector

- World Bank runs the PROCEJ (Skills Development and Youth Employment Project) and is convening other donors (Italy, Denmark, etc.) to **set up the TAIC**
- **CFAO Motors (Toyota)** organized a hackathon with Malian incubators to develop a urban mobility mobile app

Regulation and government

- Adopted UEMAO “Loi uniforme” setting the regulatory framework on PE/VC
- No major government initiative yet, but the public digital agency wants to set up a strategy for the digital economy

E Burkina Faso – country summary

Hubs

- **3 incubators** in Burkina Faso: 2iE, La Fabrique and BeoogoLab, all located in Ouagadougou
- **Trend effect** with many new hubs springing up but needing to be rationalized & professionalized
- Little link or formal cooperation between hubs
- Lack of necessary funding due to unsustainable models relying on subsidies
- Small startup pool with no success story in the ecosystem scaling beyond Burkina Faso

VC & Funding Dynamics

- **Investisseurs & Partenaires** (I&P)'s local fund Sinergi and Forth Investments are the only VC-like investment funds active in Burkina Faso but mainly invest in SMEs and not startups
- **No active business angel network**
- For pre-seed and seed funding, the only options available are love money or the few grants provided by competitions or international donors and foundations (e.g; Tony Elumelu), and most recently free-interest loans provided by LaFabrique and Afric innov (up to \$40k)

Donors and private sector

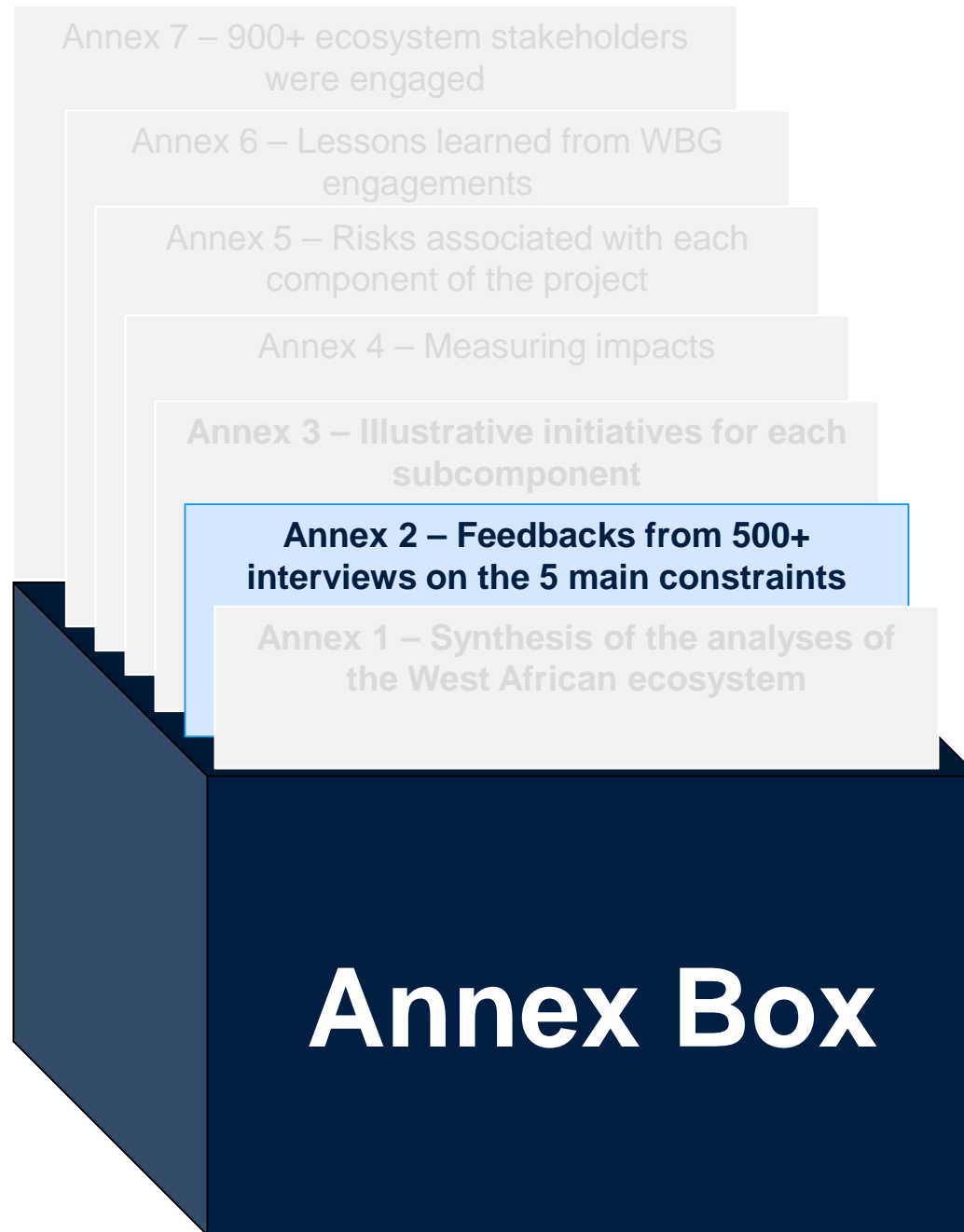
- No donor program dedicated to startup ecosystem, except from a few punctual initiatives
- No private sector program for startups

Regulation and government

- Several public programs have been recently set up: i) Public fund (but no investments have been found) and ii) **Burkina startup program** for \$15m over 5 years for 500 startups
- Adopted UEMAO “Loi uniforme” setting the regulatory framework on PE/VC

E Mauritania, Niger, Chad – country summaries

	Mauritania	Niger	Chad
Hubs & programs	<ul style="list-style-type: none"> ▪ 4 small local Hubs, with very low level of maturity ▪ Very small startup pool with no success story 	<ul style="list-style-type: none"> ▪ CIPMEN is the only local hub, influential in the Sahel and with a good track record in incubating businesses and organizing events (e.g. Sahel’Innov, E-TAKARA) ▪ Small startup pool with no success story 	<ul style="list-style-type: none"> ▪ Only 1 local hub Wenak Labs, severely constrained (no full-time staff, no space, no partnership, no internet) ▪ Very small startup pool with no success story
VC & funding	<ul style="list-style-type: none"> ▪ No VC nor PE funds ▪ No business angel network ▪ For pre-seed and seed funding, the only options available are love money or the few grants provided by competitions or international donors and foundations 	<ul style="list-style-type: none"> ▪ I&P’s local fund Sinergi is the only VC-like but mainly invests in SMEs ▪ No business angel network yet but ongoing initiative to establish one ▪ For pre-seed and seed funding, the only options available are love money, the few grants provided by competitions or international donors and foundations, or interest-free loans provided by CIPMEN and Afric’innov 	<ul style="list-style-type: none"> ▪ No VC nor PE funds ▪ No business angel network ▪ For pre-seed and seed funding, the only options available are love money or the few grants provided by competitions or international donors and foundations
Donors and private sector	<ul style="list-style-type: none"> ▪ No major donor program except from WB’s Marathon de l’entrepreneur ▪ No major private sector initiative 	<ul style="list-style-type: none"> ▪ ANSI, Niger’s public digital agency, has been partnering with CIPMEN on challenges to improve public services in rural areas 	<ul style="list-style-type: none"> ▪ No major donor program ▪ No major private sector initiative
Government & Regulation	<ul style="list-style-type: none"> ▪ No government program for entrepreneurship 	<ul style="list-style-type: none"> ▪ ANSI, Niger’s public digital agency, is preparing the program “Smart villages” financed by the World Bank 	<ul style="list-style-type: none"> ▪ No government program for entrepreneurship



1 Lack of harmonized policies, technical talent and guidance for aspiring digital entrepreneurs

Feedback from stakeholders

(i) Most regulatory and policy reforms are to be coordinated and harmonized at the regional level

“Rolling out my expansion plan in the region, I have to comply with very different tax regimes and regulatory frameworks”

Startup based in Senegal

“The existing WAEMU laws do not define all contours and are not conducive to the development of the PE/VC industry in the region”

VC based in Côte d’Ivoire

(ii) Graduates of traditional educational system lack technical skillset for digital entrepreneurship

“There are no coding skills on the market, we had to select and train developers on our own, which significantly increased our costs”

Startup based in Mali

“Well-qualified and business-oriented employees are so scarce, the education system doesn’t train businessmen”

Incubator based in Ghana

(iii) Insufficient technical talent nurtured via exposure to experienced, successful entrepreneurs, mentors

“Here the entrepreneurs have never really been held as positive models to be emulated, and are even sometimes mistrust”

Startup based in Niger

“Finding relevant mentors is the most difficult part of our program, the few successful entrepreneurs undergo a mentor-fatigue”

Accelerator based in Senegal

② Lack of sustainability and professionalism of early ideation support structures

Feedback from stakeholders

(i) The initial funding gap hinders entrepreneurs from developing proofs of concept (POC)

“If you’re not from a very wealthy social circle, love money is not enough to develop a POC and start getting market traction”

Startup based in Burkina Faso

“At the idea stage, everyone is enthusiastic, but when it comes to actually provide funds, we no longer see any enthusiasm”

Startup based in Mali

(ii) Incubators and hubs have proven to not be commercially viable nor fully professional

“Incubators need medium-term funding, to establish a proper vision/structure/team, and not be dispersed running after programs”

Panafrican VC

“Incubators have only emerged very recently in the region, so their processes and services still need to be professionalized”

Panafrican incubators’ network

(iii) There have not been enough exits to generate tech savvy angel investors

“More and more theoretically express their interest in angel investing, but many actually fear they won’t be able to exit”

Panafrican network of angels

“Business angels are needed, as much for early-stage financing as for mentoring, which brings deep intelligence and experience”

VC based in Senegal

③ Lack of seed mechanism to bring startups to investment-readiness

Feedback from stakeholders

(i) Few existing accelerators help their clients prepare their expansion plans to regional markets and get investment-ready

“Most so-called accelerators offer only superficial access to high-level mentors and investors, resulting in few or no investments”

Panafrican acceleration program

“Too many think acceleration is an instrument for startups at all stages, but it is rather for mature startups scaling and growing”

Panafrican VC

(ii) Seed funding to enable startups to get market traction is in short supply

“Seed funding is the key link for the ecosystems, but to be fruitful it needs to come with a lot of business development support”

Panafrican VC

“Providing seed capital can't be profitable for return-oriented investors, impact-oriented money is needed to cover the costs”

VC based in Senegal

④ Lack of early-stage funding

Feedback from stakeholders

(i) Required funding to scale beyond concept/prototype to revenue-generating entities is severely limited – in quantity and unevenly distributed

“I would recommend the WB to invest and strengthen existing funds; it is much needed”

CDC

“Unlike private equity, venture capital funds have no choice but to think regionally: everyone who tried local VC has failed ”

Panafrican VC

(ii) Skilled investors with deep pockets and patient capital are in short supply

“A lot of fund managers claim to have money but don’t; local LPs’ confidence in the venture capital asset class still needs to be built”

Panafrican VC

“The main hurdle we face opening our 10 local funds in Africa is finding the right human resources and skills to manage these funds”

Early-stage fund based in Paris

“Africa lacks investors with the mindset and risk capital to enable entrepreneurs to fail, while to be successful you need to fail first”

Panafrican VC

5 Currently no growth stage VC on the continent

Feedback from stakeholders

(i) As a percentage of GDP, Venture Capital investments in SSA ranks lowest compared to other regions

“At growth stage in Africa, you have no choice but international capital, which is a great constraint vs. comparable ecosystems“

VC based in Nigeria

“Global VCs won’t invest in Africa: they will invest in Silicon Valley startups going to Africa, because they can relate to them“

Global VC

(ii) There is currently no Venture Fund over \$100MM across the entire continent

“Investors are still upset by the early days of the Kenyan ecosystem, that attracted a lot of capital without enough pipeline“

Panafrican VC network

“A lot of efforts remain to be made to promote venture and growth capital as an asset class in Africa, which is still risk-averse“

Panafrican VC

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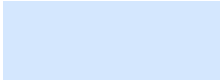
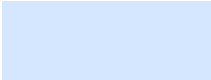

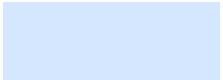

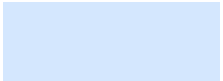
Annex 3 – Illustrative initiatives for each subcomponent

1 Digital ecosystem building and skills

1.1

Results-based financing to ecosystem providers to strengthen their operations and their ability to foster innovative entrepreneurship

Illustrative – initiatives will be further elaborated through consultations

	Possible initiatives	Partner	Av . annual cost per country (\$k)	ecosystems	
				Basic (eg Sahel)	Advanced (eg Nigeria,..)
1.1.1	Creation of a standard and label “incubators of excellence” to access WB grant support and monitoring of the application of the standards through annual audits		• 100		
1.1.2	Provide grants through competitively-awarded performance contracts with ecosystem players based on self-improvement plans to strengthen the quality of services provided (human resources, business models, monitoring and evaluation, etc.)		• 400		
1.1.3	Provide grants to ecosystem players to deliver digital skills and entrepreneurship training		• 50		

Annex 3 – Illustrative initiatives for each subcomponent


1 Digital ecosystem building and skills

1.1

Results-based financing to ecosystem providers to strengthen their operations and their ability to foster innovative entrepreneurship

Illustrative – initiatives will be further elaborated through consultations

ecosystems

Possible initiatives	Partner	Av . annual cost per country (\$k)	Basic (eg Sahel)	Advanced (eg Nigeria,..)
1.1.4 Creation of incubators, entrepreneurship curriculum and digital courses in major universities		<ul style="list-style-type: none"> • 300 		

Annex 3 – Illustrative initiatives for each subcomponent

1 Digital ecosystem building and skills

1.2

Pre-seed financing to entrepreneurs in the form of grants (concept, idea, model) and convertible notes (commercialization)

Illustrative – initiatives will be further elaborated through consultations

ecosystems

Possible initiatives	Partner	Av . annual cost per country (\$k)	ecosystems	
			Basic (eg Sahel)	Advanced (eg Nigeria,..)
<p>1.2.1 Grants for early testing or development phases of a business concept, idea or model in amounts up to US\$20,000 each</p>	 <p>THE TONY ELUMELU FOUNDATION</p>	<ul style="list-style-type: none"> • 500 		
<p>1.2.2 Convertible notes or interest free loans in the commercialization phase of products/ services in amounts up to US\$50,000 each</p>	 <p>Réseau Entreprendre</p>	<ul style="list-style-type: none"> • 1000 		

Annex 3 – Illustrative initiatives for each subcomponent

1 Digital ecosystem building and skills

1.3

Open innovation: brokering contractual relationships between entrepreneurs and large corporates or public administration

Illustrative – initiatives will be further elaborated through consultations

ecosystems

Possible initiatives	Partner	Av . annual cost per country (\$k)	Basic (eg Sahel)	Advanced (eg Nigeria,..)
1.3.1 Federate an open innovation alliance with private sector players from Europe, the USA and Africa (eg Union Bank)		• 50		
1.3.2 Conduct a series of open innovation challenges with select large companies and public agencies, from problem statement to product/service development		• 100		

Annex 3 – Illustrative initiatives for each subcomponent

2 Generating deal flow and unlocking capital

2.1

Establishment and/or scaling of alternative financing mechanisms such as business angel funds and crowdfunding platforms

Illustrative – initiatives will be further elaborated through consultations

ecosystems

Possible initiatives	Partner	Av . annual cost per country (\$k)	Basic (eg Sahel)	Advanced (eg Nigeria,..)
2.1.1 Provide technical assistance to existing and newly created angel funds		• 100		
2.1.2 Provide funding and technical assistance to existing and newly created crowdfunding platforms		• 100		

Annex 3 – Illustrative initiatives for each subcomponent

2 Generating deal flow and unlocking capital

2.2

Acceleration programs with a strong focus on investment readiness

Illustrative – initiatives will be further elaborated through consultations

ecosystems

Possible initiatives	Partner	Av . annual cost per country (\$k)	ecosystems	
			Basic (eg Sahel)	Advanced (eg Nigeria,..)
<p>2.2.1 Provide funding to support existing acceleration programs (excluding building infrastructure) that have a strong focus on helping their clients prepare their expansion plans to regional/international markets and getting investment-ready to pitch/present to seed and early stage funds</p>		<ul style="list-style-type: none"> • 100 		
<p>2.2.2 Provide funding to create new adequate acceleration programs, covering the gaps of existing acceleration programs</p>		<ul style="list-style-type: none"> • 200 		

Annex 3 – Illustrative initiatives for each subcomponent

2 Generating deal flow and unlocking capital

2.3

Seed, early stage and early growth equity funding





Illustrative – initiatives will be further elaborated through consultations

ecosystems

Possible initiatives	Partner	Av . annual cost per country (\$k)	Basic (eg Sahel)	Advanced (eg Nigeria,..)
<p>2.3.1 Provide funding in the form of capital to newly created and existing funds who provide equity and quasi equity financing to startups covering <u>seed level needs</u></p>		<ul style="list-style-type: none"> • 3000 		
<p>2.3.2 Provide funding in the form of capital to newly created and existing funds who provide equity and quasi equity financing to startups covering <u>early stage needs</u></p>		<ul style="list-style-type: none"> • 5000 		
<p>2.3.3 Provide funding in the form of capital to newly created and existing funds who provide equity and quasi equity financing to startups covering <u>growth capital needs</u></p>		<ul style="list-style-type: none"> • 10000 		

3 Harmonizing regional digital policies and platforms

Illustrative – initiatives will be further elaborated through consultations

	Subcomponents	Examples of (successful) regional bodies' initiatives	Examples of other initiatives	Partners
3.1	Enabling digital government platforms with key impact on private sector	<ul style="list-style-type: none"> - ECOWAS Regional passport and ECOWAS Biometric Identity Card to facilitate mobility and promote security in the region - WAEMU Regional Portal for Public Contracting (PRMP-UEMOA) 	Case study of WBG's ID4D program	
3.2	Spurring enabling regulations for digital finance systems and fintech to facilitate contracting and transacting in a digital world	Groupement Interbancaire Monétique de l'UEMOA (GIM-UEMOA), was created in 2003 for promoting regional banking interoperability with WAMEU's participation in the capital	Case study of Sierra Leone's FinTech Sandbox	
3.3	Develop an enabling policy, institutional and regulatory framework for entrepreneurship ecosystems, VCs and build needed skills	<ul style="list-style-type: none"> - Custom Union in the offing with the implementation of the Common External Tariffs (CET) and ECOWAS Trade Liberalization Scheme - WAEMU Community Preferential Tariff 	Case study of i4policy	 

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The limited presence of financial institutions in West Africa

Identified constraints

Besides Nigeria and Ghana, financial institutions are not present in this region. Even in these countries, the number of transactions is limited in number but also in size: investments are rather large (above 5 million USD).

What are the constraints identified?

- A myriad of informal firms that require capacity building - entrepreneurship support but also technological/technical support
- But also some motivational support: they do not believe in their potential to grow, especially beyond the national frontiers
- High search costs for financial institutions: too many informal firms. As a result, these institutions are going for larger investments
- High risks linked to business environment but also to the difficulty of identifying the high-growth firms among these myriad of micro firms
- Limited market size when we exclude Nigeria (and to a certain extent Ghana)

Possible options

Projects and impact evaluations are providing important lessons regarding firm-level interventions. Different options could be proposed to tackle each of these problems:

- Training programs have limited impacts (Mckenzie and Woodruff, 2013); consulting has a better track record (Bruhn et al, 2013; Bloom et al, 2013)
- Personal initiative training (Campos et al., 2017) but also mentoring and peer-to-peer motivate entrepreneurs
- Business plan competitions are usually used to screen out low performers (McKenzie, 2015)
- Kerr et al. (2014) highlights the low probability of success in the US - a probability even lower in West Africa. Hence, the idea of having a portfolio of projects

A proposed framework for operationalization

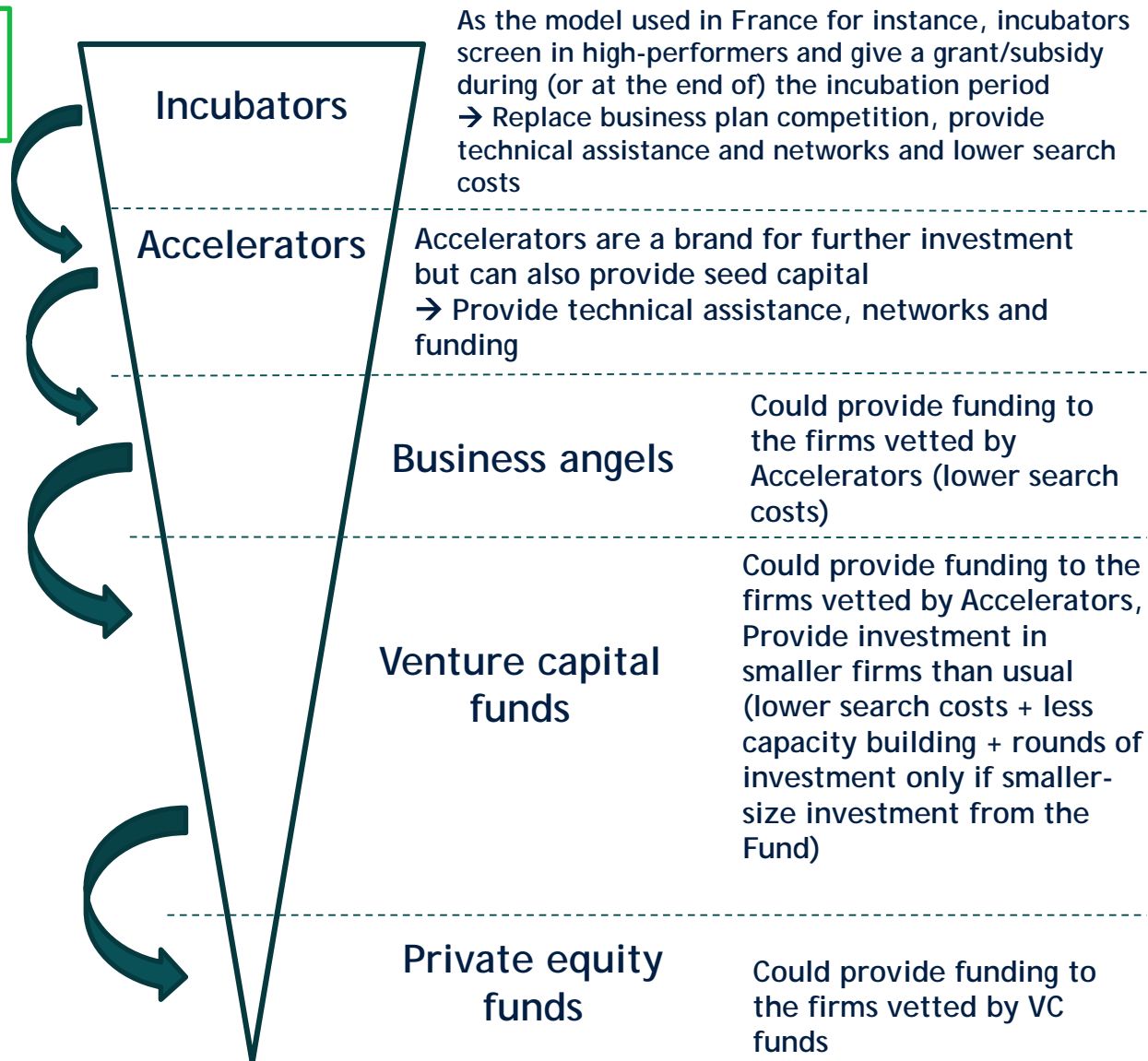
Why working in every part of the entrepreneurship continuum?

A Fund of Funds

- Structure to be designed to be financially sustainable
- Disbursement in rounds (~ tranches) based on DLIs to beneficiaries: DLIs on the size of the investments and the performance of the portfolio
- Risk management by investing in the different segments of the entrepreneurship ecosystem: loss for incubators, high return for PE for instance

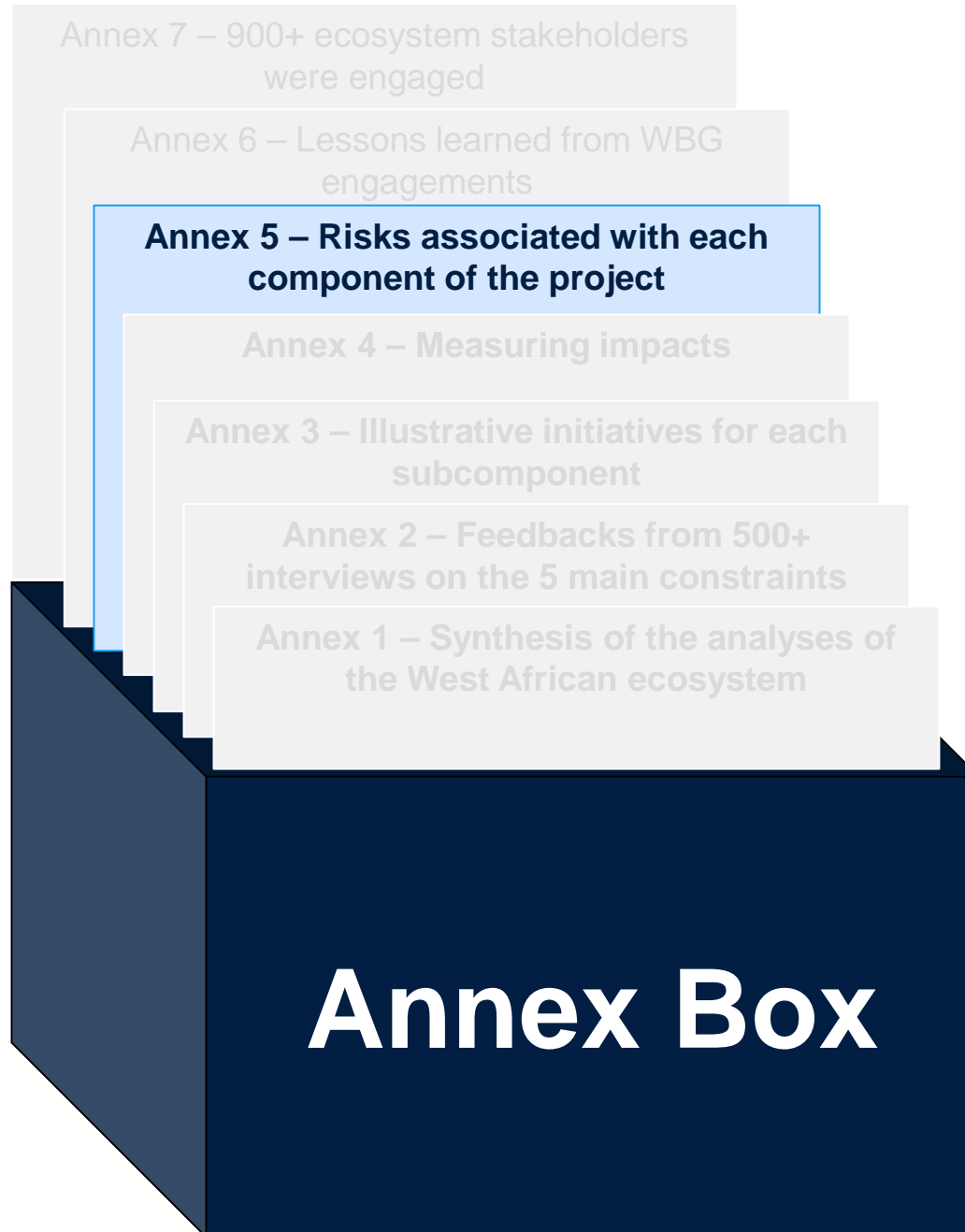
A Fund that invests in every segment of the entrepreneurship ecosystem and:

- Allows incubators to be in deficit but to screen high-potential firms;
- Kick-start accelerators for seed capital;
- Lower search costs for traditional financial stakeholders and;
- Provide incentives to these financial stakeholders to invest in smaller (than usual) firms.



Possible research questions

- What are the impacts of incubation on firms?
 - Randomization of possible entrants to incubators - possible measured outcomes throughout the project: knowledge, probability of creating a business, business survival, revenues, employment, access to finance;
 - Possibly three groups of firms: control group, firms going through incubators and firms receiving technical assistance (through the incubators but without co-working spaces and/or network) → testing whether incubators go beyond capacity building (peer-to-peer learning, networking, motivation)
- Best way to reduce search costs?
 - Comparing a business plan competition with incubators for instance: is the cohort of firms going through incubation better off than firms going through a business plan competition?
- Best financing structures for startups?
 - Working with VCs: Debt versus equity (continuum - 0 % of debt to 100 % of debt). They will have the incentives because we will be providing them with funding.
- How to encourage firms to develop a market outside the national borders?
 - One assumption is that entrepreneurs do not expand beyond their borders because they do not know the other markets. What about experience in a different country? We could have a group of selected firms from incubators going to an accelerator in the same country and another group of firms going to an accelerator in a different country.



1 Digital ecosystem building and skills - RISKS

	Major Risks	Probability 1-5	Impact 1-5	Total 1-25	Possible mitigation measures
Ranked ↑	1. It takes more effort and more time than expected to create a large enough pipeline of startups	3	5	15	<ul style="list-style-type: none"> Prioritize support to incubators with a large and high quality pipe of startups The project will provide dealflow creation support to increase the quantity and quality of viable startups
	2. Grants of early stage startup are not used to scale or grow the startup	3	4	12	<ul style="list-style-type: none"> Create performance based disbursement mechanisms and put into place financial management criteria
	3. Skills development is not sufficiently demand driven or linked to the private sector	3	4	12	<ul style="list-style-type: none"> Project design is demand driven and implementation will continue to incorporate private sector input and built in feedback mechanisms

2 Generating deal flow and unlocking capital - RISKS

	Major Risks	Probability 1-5	Impact 1-5	Total 1-25	Possible mitigation measures
Ranked ↑	1. Lack of funds to be funded	3	5	15	<ul style="list-style-type: none"> Pro-active search of VC in Europe and US already engaged in emerging markets but not in Africa yet (eg Sequoia,..)
	2. Fraud with Crowdfunding platform beneficiaries	3	4	12	<ul style="list-style-type: none"> Apply very strict selection process (eg accreditation)
	3. Currency fluctuation and forex availability	2	4	8	<ul style="list-style-type: none"> Encourage diversification of portfolios and investments – especially amongst regional funds

3 Harmonizing regional digital policies and platforms - RISKS

	Major Risks	Probability 1-5	Impact 1-5	Total 1-25	Possible mitigation measures
Ranked ↑	1. Political obstacles to implement new policies especially at the regional level, resulting in extended timelines	3	5	15	<ul style="list-style-type: none"> Identify local champions and work with regional bodies with convening power
	2. Policies are not sufficiently linked to the needs of the private sector	2	4	8	<ul style="list-style-type: none"> Project will build in private sector coordination mechanisms from design through implementation, including the IFC

4 Coordination – RISKS

	Major Risks	Probability 1-5	Impact 1-5	Total 1-25	Possible mitigation measures
Ranked ↑	1. Weak institutional capacity for implementation and sustainability	3	5	15	<ul style="list-style-type: none"> Project counterparts will be carefully identified; funding will also cover strengthening of institutional capacities of regional and sub-regional project partners and intermediaries

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1 Digital ecosystem building and digital skills

Lessons learned from WBG engagements

1. Successful projects **link actors from various domains** (research, private sector, service providers, government, development partner, etc) and **use a variety of mechanisms** including competitive grants and business incubators to foster innovation and entrepreneurship.
2. **Early and broad engagement with stakeholders** to forge agreement on common objectives. Building broad coalitions and political consensus - beyond the immediate client counterparts - around reforms was effective in **broadening support and maintaining momentum**.
3. Initiatives supporting entrepreneurship and early stage finance are more likely to succeed when there is an **adequate supply of startups and high growth SMEs** emerging from earlier in the startup cycle.
4. Grant proposals that come from **entrepreneurs linked to an incubator, accelerator, university program, or other support entities are of better quality** than proposals that are brought by entrepreneurs on their own, or isolated from the broader ecosystem.

Sources:

IEG. "World Bank Group Support for Innovation and Entrepreneurship." (2013)

IEG. "World Bank Group Support to Transformational Engagements: An IEG Learning Product" (2016)

World Bank. Mid-Term Review of Lebanon "Supporting Innovative SMEs (iSMEs) project (P127306)

2 Generating deal flow and unlocking capital

Lessons learned from IFC engagements

1. Ecosystem & PE/VC **legal regulatory review** to inform project design.
2. Involve **Fiduciary and safeguards** at the PCN level – Governance
3. **Crowd in private investment** to leverage funding and reduce selection risk, with incentives incorporated in the design.
4. The risk of crowding-out private sector can be **mitigated by using an MFD approach** e.g. WB loan to be leveraged by private sector.
5. Financing alone is not enough, **support to the ecosystem** to create a better quality/quantity of viable startups for the deal flow is necessary.
6. **Sector and social agnosticism** helps generate more commercial returns to ensure the program sustainability and attract private investors.
7. **Flexibility** – include investments in funds and accelerators at the wholesale level and not only direct investments in SMEs and grants.

3 Harmonizing regional digital policies and platforms

Lessons learned from WBG engagements

1. Interventions may be individually successful, but they do not automatically foster synergies or an integrated system. It is essential to **foster linkages between actors** in the innovation ecosystem.
2. The Bank Group's role is most effective in **playing the catalyst** rather than coming up with the innovations themselves. They were effective by **innovating to reduce cost**, using **new delivery platforms** to increase the reach or utilization of services, and **addressing information asymmetries** and incentives for beneficiaries; or **catalyze changes** in systems, markets and behaviors.
3. Strike a balance between a strategic understanding of key, systematic constraints and pushing reforms through a **set of sequenced and focused interventions**. It implies ongoing support to clients through continuing, sustained engagements and **a series of interventions designed to facilitate deep reforms**.
4. WBG support to create **policy frameworks that allow financial intermediaries** to better serve the needs of the poor was effective. Yet its approach to **identifying and tackling constraints to financial inclusion** is neither systemic nor comprehensive—of particular concern are areas that affect the poor, like **mobile banking** or rural savings and credit cooperatives.

Sources:

IEG. "World Bank Group Support for Innovation and Entrepreneurship." (2013)

IEG. "World Bank Group Support to Transformational Engagements: An IEG Learning Product" (2016)

IEG. "Financial Inclusion - A Foothold on the Ladder toward Prosperity?" (2015)

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Annex 8 – 900+ ecosystem stakeholders were engaged using an ad-hoc methodology to gather data

900+ institutions were engaged, of which 500+ in a structured manner and 350+ with written notes available

300+ hubs and networks

Illustrative examples of interviewees:



200+ ecosystem builders

Illustrative examples of interviewees:



200+ investors and angel groups

Illustrative examples of interviewees:



150+ entrepreneurs

Illustrative examples of interviewees:



25+ training institutions

Illustrative examples of interviewees:



25+ governments

Illustrative examples of interviewees:



Annex 8 – 900+ ecosystem stakeholders were engaged using an ad-hoc methodology to gather data

An interview toolkit has been used to gather data from entrepreneurs...

Story	<ol style="list-style-type: none">1. Please describe what you're doing and the story behind starting/establishing your business and its mission.2. Have you faced problems or barriers in starting, operating and growing/expanding your business?
Funding	<ol style="list-style-type: none">3. How is your business currently funded (structure, source, amount)? How easy was it to access this funding?4. Could you tell me more about your future expansion and funding plans?5. What are the funding gaps along the venture life-cycle and possible solutions?
Policy	<ol style="list-style-type: none">6. What is your overall sense of the ease of doing business in West Africa? What are the main barriers to business creation, growth and profitability?7. Can you identify policies/programs that could improve the business climate?8. What are your perspectives on the effectiveness of existing initiatives related to making West Africa more business/entrepreneurship friendly?
Culture	<ol style="list-style-type: none">9. How would you describe the culture of entrepreneurship in West Africa?10. Is there a culture of failure or risk taking? Why? Why not?11. What can be done for women to have equal opportunities to men in business?
Supports	<ol style="list-style-type: none">12. What is the availability of facilities, like incubators, labs, and hubs?13. What is your evaluation of the existing infrastructure and services?
Networks & Markets	<ol style="list-style-type: none">14. Are you part of or a member of any local, regional, or international networks?15. If you look at the market here, do you find growing demand for your services?
Talent & Education	<ol style="list-style-type: none">16. Is <u>it</u> difficult finding and hiring high-skilled workers, either technical or managerial?17. How many employees do you currently have? Have you invested in training?
Additional Questions	<ol style="list-style-type: none">18. If you could change one thing about West Africa's entrepreneurship ecosystem, what would it be?19. In your own view, what is your country's and West Africa's competitive (or comparative) advantage in the entrepreneurial space?

Annex 8 – 900+ ecosystem stakeholders were engaged using an ad-hoc methodology to gather data

...from investors...

Story	1. Please describe your experience investing in startups. What is your investment portfolio like?
Funding	2. Have you faced problems or barriers in starting, operating and growing/expanding your investment activity? 3. What are the funding gaps along the venture life-cycle and possible solutions?
Policy	4. From an investor's perspective, what would you identify as the main barrier to business creation, growth and profitability for firms in West Africa? 5. Can you identify policies/programs that could improve the business climate? 6. What are your perspectives on the effectiveness of existing initiatives related to making West Africa more business/entrepreneurship friendly?
Culture	7. How would you describe the culture of entrepreneurship in West Africa? 8. Do you find entrepreneurs educated and aware of the various types of investment terms and conditions? Why? Why not? 9. What can be done for women to have equal investment-readiness to men in business? Do you know of any special financing initiatives aimed at women?
Supports	10. What is the availability of facilities, like incubators, labs, and hubs? 11. What is your evaluation of the existing infrastructure and services? 12. Describe your experience with obstacles you face when supporting digital entrepreneurs and startups in West Africa.
Networks & Markets	13. Is the market attractive for investment? 14. Are you part of or an investment network? Angel network?
Talent & Education	15. How would you describe the level of talent of entrepreneurs: technical skills, business acumen, management, innovativeness? 16. Are there issues recruiting technical or managerial skilled people?
Additional Questions	17. If you could change one thing about the investment climate in West Africa, what would it be? 18. In your own view, what is West Africa's competitive (or comparative) advantage in the entrepreneurial space?

Annex 8 – 900+ ecosystem stakeholders were engaged using an ad-hoc methodology to gather data

...from ecosystem builders...

Story	1. Please describe your institution and its overarching mission and initiatives.
Funding	2. What are the funding gaps along the venture life-cycle and possible solutions?
Policy	3. From your perspective, what would you identify as the main impediment to doing business (business creation, growth and profitability) in West Africa? 4. Can you identify policies/programs that could improve the business climate? 5. What are your perspectives on the effectiveness of existing initiatives related to making West Africa more business/entrepreneurship friendly?
Culture	6. How would you describe the culture of entrepreneurship in West Africa? 7. Is there a culture of failure or risk taking? Why? Why not? 8. What can be done for women to have equal opportunities to men in business?
Supports	9. What is the availability of facilities, like incubators, labs, and hubs? 10. What is your evaluation of the existing infrastructure and services? 11. Describe your experience with obstacles you face when supporting digital entrepreneurs and startups in West Africa.
Networks & Markets	12. What is the level of difficulty partnering with other like-minded organizations or creating strategic alliances, whether in the private or even public sectors? 13. Is your institution part of any local, regional, or international networks? Do you collaborate with universities, investors, associations, or government agencies?
Talent & Education	14. How would you describe the level of talent of entrepreneurs: technical skills, business acumen, management, innovativeness? 15. Are there issues recruiting technical or managerial skilled people? 16. Are there any existing education programs that teach entrepreneurship and innovation?
Additional Questions	17. If you could change one thing about the entrepreneurship ecosystem in West Africa, what would it be? 18. In your own view, what is West Africa's competitive (or comparative) advantage in the entrepreneurial space?

Annex 8 – 900+ ecosystem stakeholders were engaged using an ad-hoc methodology to gather data

...from hubs...

Story	1. Please describe your institution and its overarching mission and initiatives.
Funding	2. Describe your institution's business model. 3. Could you tell us more about your future expansion and funding plans? 4. What are the funding gaps along the venture life-cycle and possible solutions?
Policy	5. From your perspective, what would you identify as the main impediment to doing business (business creation, growth and profitability) in West Africa? 6. Can you identify policies/programs that could improve the business climate? 7. What are your perspectives on the effectiveness of existing initiatives related to making West Africa more business/entrepreneurship friendly?
Culture	8. How would you describe the culture of entrepreneurship in West Africa? 9. Is there a culture of failure or risk taking? Why? Why not? 10. What can be done for women to have equal opportunities to men in business?
Supports	11. What is the availability of facilities, like incubators, labs, and hubs? 12. What is your evaluation of the existing infrastructure and services? 13. Describe your experience with obstacles you face when supporting digital entrepreneurs and startups in West Africa.
Networks & Markets	14. If you look at the market here, do you find growing demand for your services? 15. What is the level of difficulty partnering with other like-minded organizations or creating strategic alliances, whether in the private or even public sectors? 16. Is your institution part of any local, regional, or international networks? Do you collaborate with universities, investors, associations, or government agencies?
Talent & Education	17. How would you describe the level of talent of entrepreneurs: technical skills, business acumen, management, innovativeness? 18. Are there issues recruiting technical or managerial skilled people? 19. Are there any existing education programs that teach entrepreneurship?

Annex 8 – 900+ ecosystem stakeholders were engaged using an ad-hoc methodology to gather data

...from training institutions...

Story	<ol style="list-style-type: none">1. Please describe your institution and its overarching mission and initiatives.2. Does your institution have any entrepreneurship-related programs/activities?
Funding	<ol style="list-style-type: none">3. Is there any funding allocated to entrepreneurial activities (for either students or faculty)? If yes, please describe these activities.
Policy	<ol style="list-style-type: none">4. From your perspective, what would you identify as the main impediment to doing business (business creation, growth and profitability) in West Africa? Is there support for innovation?5. Can you identify policies/programs that could improve the business climate?6. What are your perspectives on the effectiveness of existing initiatives related to making West Africa more business/entrepreneurship friendly?
Culture	<ol style="list-style-type: none">7. Do you think there is an innovative and entrepreneurial spirit among your students or researchers?8. How would you describe the culture of entrepreneurship in West Africa?9. What is the university's track record in attracting and supporting women entrepreneurs through its programs?
Supports	<ol style="list-style-type: none">10. What is the availability of facilities, like incubators, labs, and hubs?11. What is your evaluation of the existing infrastructure and services?12. Describe your experience with obstacles you face when supporting digital entrepreneurs and startups in West Africa.
Networks & Markets	<ol style="list-style-type: none">13. What is the level of difficulty partnering with other like-minded organizations or creating strategic alliances, whether in the private or even public sectors?14. Is your institution part of any local, regional, or international networks? Do you collaborate with investors, associations, or government agencies?
Talent & Education	<ol style="list-style-type: none">15. How would you describe the level of talent of university graduates: technical skills, business acumen, management capabilities, and innovativeness?
Additional Questions	<ol style="list-style-type: none">16. If you could change one thing about the entrepreneurship ecosystem in West Africa, what would it be?17. In your opinion, what do you think is West Africa's competitive (or comparative) advantage in the entrepreneurial space?

Annex 8 – 900+ ecosystem stakeholders were engaged using an ad-hoc methodology to gather data

...from governments

Story	<ol style="list-style-type: none">1. Please describe your institution and its overarching mission and initiatives.2. Does your institution have any entrepreneurship-related programs/activities?
Funding	<ol style="list-style-type: none">3. What are the funding gaps along the venture life-cycle and possible solutions?4. Does the government finance entrepreneurs with public funds?
Policy	<ol style="list-style-type: none">5. From your perspective, what would you identify as the main impediment to doing business (business creation, growth and profitability) in West Africa? Is there support for innovation?6. Can you identify policies/programs that could improve the business climate?7. What are your perspectives on the effectiveness of existing initiatives related to making West Africa more business/entrepreneurship friendly?
Culture	<ol style="list-style-type: none">8. How would you describe the culture of entrepreneurship in West Africa?9. Is there a culture of failure or risk taking? Why? Why not?10. What can be done for women to have equal opportunities to men in business? Are there special programs or initiatives for women entrepreneurs?
Supports	<ol style="list-style-type: none">11. What is the availability of facilities, like incubators, labs, and hubs?12. What is your evaluation of the existing infrastructure and services?
Networks & Markets	<ol style="list-style-type: none">13. What is the level of difficulty partnering with other like-minded organizations or creating strategic alliances? Do you collaborate with hubs, investors, universities, associations?
Talent & Education	<ol style="list-style-type: none">14. How would you describe the level of talent of entrepreneurs: technical skills, business acumen, management, innovativeness?15. Are there issues recruiting technical or managerial skilled people?16. Are there any existing education programs that teach entrepreneurship?
Additional Questions	<ol style="list-style-type: none">17. If you could change one thing about the entrepreneurship ecosystem in West Africa, what would it be?18. In your opinion, what do you think is West Africa's competitive (or comparative) advantage in the entrepreneurial space?