

DATA
GOVERNANCE
IN AFRICA

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EU INTERNATIONAL PARTNERSHIPS
DIGITAL FOR DEVELOPMENT HUB

Supporting development-oriented and human-centric data regulation, use and infrastructure in Africa

Think Like an Investor

Private Sector Call for Proposal

Terms of Reference

Deadline: 4 August 2024

Title of the Initiative

1. This call for proposal (CfP) titled, '**Think Like an Investor**' has been launched by HAUS Finnish Institute of Public Management and Estonian Centre for International Development (ESTDEV) under the umbrella of the Data Governance in Africa Initiative.

About Data Governance in Africa Initiative

2. The Data Governance in Africa Initiative is a 3,5-year programme that aims to support a "development-oriented and human-centric data economy and society in Africa".
3. The programme is part of a broader strategic partnership between the African Union and European Union regarding Digital Cooperation and is seen as a key component of the Joint AU-EU Vision for sustained and sustainable economic growth.
4. The initiative is financed together by the African Union, the European Union and the five European Member States (Germany, Finland, France, Belgium, and Estonia).

Background Information on Data-driven digitalisation¹

5. Over the past decade, digitalization and data usage have become integral to our lives, with the COVID-19 crisis acting as a catalyst for global innovation and digital transformation. Digitalisation is increasingly important in the content as well as implementation of development cooperation initiatives and has become a transformational part of fulfilling international development cooperation goals.
6. The private sector plays a crucial role in driving this transformation, through investment in technology infrastructure, development of innovative solutions, and collaboration with governments and civil society.

Definition of Digital Social Innovation (DSI)

7. From a development perspective, innovation can be described as 'a new and/or improved solution – identified as products, services and/or processes - with the transformative ability to accelerate impact' and aligns closely with the definition of the International Development Innovation Alliance (IDIA).²

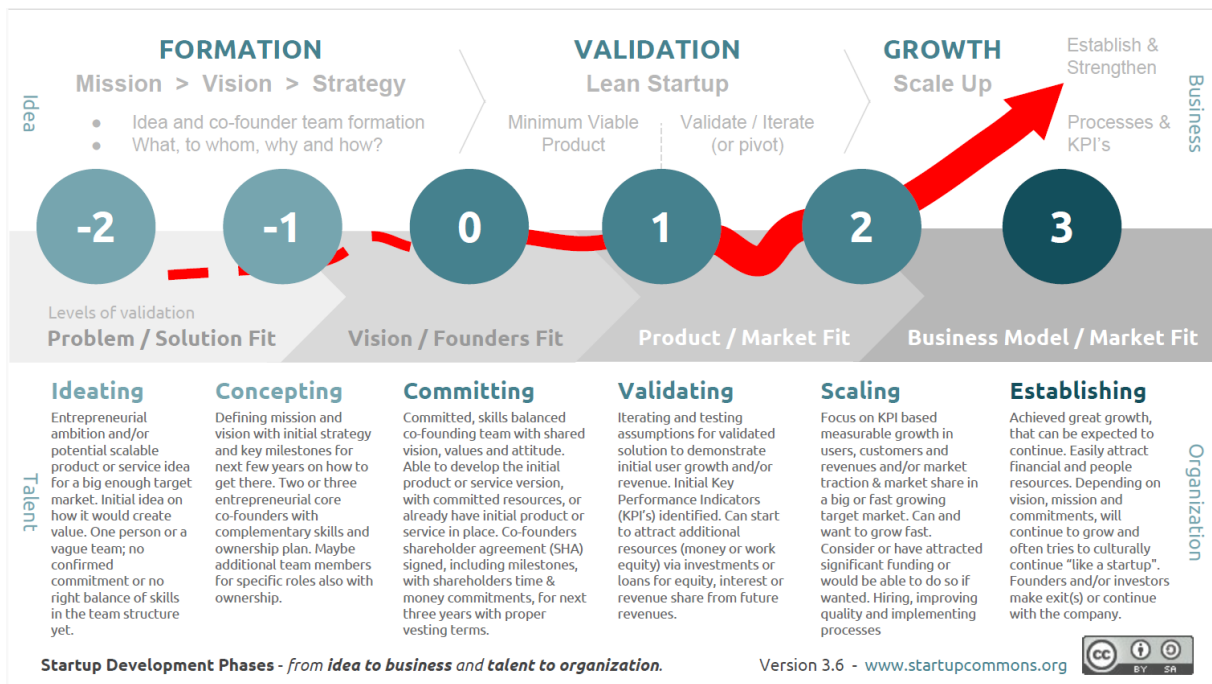
The Call is defining Digital Social Innovations as follows:

- a. **Adaptation and Improvement:** DSIs that can address new markets or geographies effectively by adapting or building upon existing digital solutions within their specific context. Utilizing a data-driven approach, these innovations can analyse and incorporate user feedback and market data to demonstrate significant improvement in meeting the needs of the intended end-users, ensuring that solutions are tailored and responsive to local demands.
- b. **Validation and Implementation:** DSIs that have undergone formation and validation, showcasing their potential for implementation. By leveraging data analytics, these solutions have been rigorously tested and proven to be effective in real-world scenarios, moving beyond mere concepts or ideas. The data-driven validation process ensures that these innovations are scalable, reliable, and capable of delivering measurable impact.

¹ In the context of this Call, data-driven digital social innovation uses data and analysis to develop innovative technology-driven solutions, enhancing decision-making and progress. It addresses societal challenges and achieves positive impacts through digital implementation, skill enhancement, and data optimization, ultimately driving sustainable economic growth.

² International Development Innovation Alliance (IDIA). "Definition of Innovation." IDIA website, Available at <https://www.idiainnovation.org/why-innovation>. Accessed on 08/4.2024.

c. See below – startup development phases.³



Key Knowledge Gaps

8. Several factors hinder the development of data-driven private services and businesses in Africa. These could include lack of access to credible data, absence of open data policies, limited data sharing standards, and only viewing data in terms of its potential to provide a competitive advantage.
9. Even when data is available for sharing, its relevance may be limited by poor quality, such as inadequate labelling and standardization.
10. Businesses may also lack awareness of the value of data or understanding the value of data-driven business models.
11. Even if firms understand the potential of data-driven innovation and have access to relevant data, they may lack the necessary capacities to leverage data into sustainable business models and products, such as analytical capabilities, financing, or mentoring.

Objective for the Call for Proposal “Think like an Investor”

12. The main objective of The Call is to leverage on data use and cross-border data flows to create (societal) value and inform regulations in private sector.
13. The Call will support the expansion of financial resources, support the scale-up and sustainable adoption of existing data-driven Digital Social Innovations (DSIs) in Africa's digital ecosystem.
14. It aims to strengthen the ability of private sector entities to access, analyse, utilize, and share data for value creation, eventually to become more interesting for private (and public) investors.
15. It will facilitate European actors in finding African partners, foster collaboration, and gain insights.

Henceforth, we will refer to the Think Like an Investor Call for Proposal simply as “The Call”.

³ Startup Development Phase – from idea to business and talent to organization – www.startupcommons.org - Version 3.6

Scope of work

16. The Call seeks to cultivate a dynamic ecosystem of digital innovation and entrepreneurship across Africa, promoting the expansion of private sector DSIs to drive sustainable development, economic growth, and positive social impact continent-wide by:
 - a. Offering customized training programs, individualized mentoring, and networking opportunities to engage with European partners and potential investors.
 - b. Leveraging a data-driven business model, organizations can harness the power of data analytics to make informed decisions, optimize operations, and create personalized customer experiences.
17. This approach not only enhances efficiency and competitiveness but also enables companies to identify emerging market trends, tailor products and services to meet local needs, and ultimately drive more impactful and scalable solutions across the continent.
18. Furthermore, collaboration with European partners enriches this ecosystem by bringing in diverse perspectives, expertise, and resources, fostering cross-border collaboration, and amplifying the potential for innovative solutions with global reach.

Methodology

19. Selected DSIs will be supported through tailored coaching, mentorship, matchmaking and networking opportunities with EU mentors and potential investors.
20. Throughout the implementation phase of this Call, the DSIs will position themselves as trusted partners in projects' innovation efforts, aiming to minimize the concurring risks and maximize the chances of achieving scalable, innovative impact.
21. By adopting a data-driven approach, DSIs can leverage real-time data analytics to identify potential risks early, make informed decisions, and optimize resource allocation.
22. This method enhances their ability to track progress, measure impact, and adapt strategies based on data insights, thereby ensuring a higher likelihood of successful and scalable outcomes.

Key Activities

23. Customised Investment Readiness Training Programs

- a. Develop and deliver training modules focused on data analytics, business model development and investment readiness.
- b. Conduct workshops on leveraging data for value creation and improving data quality standards.

24. Training, Coaching, and Mentorship

- a. Provide tailored initiatives to enhance technical and business skills.
- b. Offer individualised mentorship programs with EU mentors to support the development and scaling of DSIs.

25. Matchmaking and Networking

- a. Organize matchmaking events and networking opportunities to connect Africa innovators with potential European investors and partners.
- b. Facilitate collaboration through workshops, conferences, and online platforms such as.

26. Support for Data Utilisation and Sharing

- a. Assist in accessing, analysing, and utilising data for developing innovation solutions.
- b. Promote best practices for data sharing and open data policies to enhance collaboration.

Eligibility Criteria

Table 1: Basis of award

Mandatory requirements
Innovative approach
Scalability
Staff Headcount
Turnover
Company's operational Years
Structure of Capital – Financial records and/or growth metrics
Proficiency in English or bring own translator if you wish to participate in any other language

27. Eligible applicants

- a. This initiative targets entrepreneurs, startups and, SMEs operating within Africa's digital landscape.
- b. Consortia with leading private sector entities from one of the relevant African countries, and involving EU counterparts, academia, and/or civil society organisations can apply too. EU partnership encouraged but not mandatory.
- c. These entities are encouraged to participate if their data-driven DSI address societal challenges, facilitate cross-border data flows, and align with the UN SDGs.
- d. Applicants will be defined for their innovative approaches, scalability, staff headcount, turnover, age, and structure of capital, utilizing data-driven metrics aligned with each country's definition of SMEs.
- e. By employing data-driven criteria, such as financial records and growth metrics, the selection process can objectively assess the potential impact and scalability of each applicant, ensuring that the chosen DSIs have the ability to drive meaningful change and innovation within their respective contexts.

28. Eligible Countries

- a. The applicant or the lead applicant of a consortium must be registered in Kenya, Tanzania, South Africa, Botswana, Namibia, Zambia, and Senegal.
- b. Scaling up activities may extend to other African countries as well as EU countries.

29. To address the balance between innovation progress across different countries while ensuring fair representation, The Call will:

- a. Consider the specific socio-economic context and the relative maturity of the digital ecosystem in each country, leveraging data-driven insights to tailor support and resources accordingly.
- b. Ensure that at least one data driven DSI is selected from each country to promote inclusivity and diversity in innovation.

- c. Emphasize the potential for regional impact and cross-border collaboration in the evaluation process regardless of their country of origin, utilizing data analysis to identify synergies and opportunities for collaboration across borders.

30. Eligible Thematic areas

DSIs should address bridging digital divides or disparities, such as those between urban and rural areas, genders, and youth.

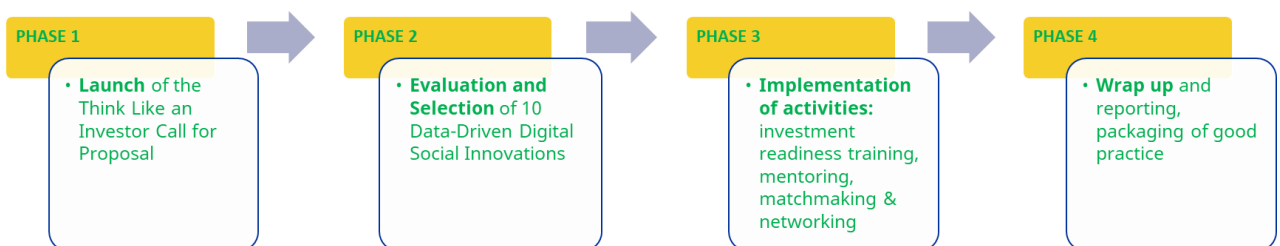
Key themes that the DSIs of applicants should include one or several of the following:

- a. E-Health/epidemics (e.g. cross-border/multi-country health data sharing)
- b. Digital inclusion encompassing issue like youth and gender gaps, digital rights, and digital education.
- c. Climate change, natural resource management and climate-smart agriculture
- d. Financial inclusion, open finance and banking
- e. Connectivity (e.g. last-mile, infrastructure, regulation)
- f. Governance regulatory frameworks including resource mobilization, smart cities, transportation, and tax/customs management.
- g. Energy – related challenges.

31. Eligible project period

The Call will commence on June 3, 2024, and will include activities extending until December 2025, with project wrap-up expected by July 2026.

Implementation Phases and timeline



32. Inception Phase 1: Launch (3 June 2024 – 4 August 2024)

The Call will commence with **the launch** of invitations, urging DSI applications through an online platform.

Milestone 1:

Project team

- a. Responses to inquiries aimed at understanding the impact of the DSI, development needs,
- b. Online and breakfast information sessions regarding the application process organised during the Phase 1.

Applicants

- c. Submission of a project proposal,
- d. Financial statements,
- e. Company information,

- f. CVs & bios of the team members, and
- g. 3-minute pitch video providing a succinct overview of the DSI initiative.

33. Evaluation and Selection Phase 2: (August – September 2024)

Led by the HAUS and ESTDEV project team, with a primary focus on eligibility screening to ensure applicants meet the minimum requirements outlined in The Call.

Milestone 2:

- a. Eligibility screening and technical assessment by the evaluation panel and external industrial expert from Africa.
- b. Interviews with shortlisted candidates to evaluate suitability based on the eligibility criteria.
- c. Selection of top 10 DSIs.
- d. Due diligence
- e. Formal email sent to inform the outcome.

Table 2: The evaluation matrix

Assessment Criteria	Weighting
Alignment with objectives	20
Innovation & Impact	20
Scalability & Social Impact	20
Team Competence	20
Market & financial viability	20
Total	100

34. Output Services Phase 3: (October 2024 to December 2025)

Encompasses the coordination of activities focused on investment readiness. These sessions will take place in Finland, Estonia, and Africa with some online components.

Milestone 3:

- a. training and networking opportunities for DSI teams alongside experts from the EU and Africa.
- b. Mentoring and matchmaking activities.

Please refer to the table below for a summary of the activities focused on investment readiness.

Table 3: Output activities

Tailored Investment Readiness Training	Mentoring	Matchmaking & Networking
<p>Objective: tackle challenges and promote scalability of DSIs</p> <p>Activities: Training modules based on DSI needs e.g. IPR, Franchising, Finance, Marketing, Sales, Pitching skills</p> <p>By whom: trained by the ecosystem of EU experts as service providers</p>	<p>Objective: to make DSIs more bankable with solid teams behind them</p> <p>Activities: Offering targeted mentoring expertise from identified EU experts e.g. industry experts / academia</p> <p>By whom: identified EU experts interested to work as mentors</p>	<p>Objective: facilitate the process of finding adequate organisations on both continents</p> <p>Activities: African firms will be matched with potential EU actors with added-value e.g. technological knowledge, jointly seeking investments, while European actors can find African partners for scaling up and learn about the African markets</p> <p>By whom: Project team / Finnish Business Partnership Programme</p>
October – December 2024	January 2025-December 2025	October 2024 – December 2025

35. Monitoring and Evaluation Phase 4 (January 2026 – March 2026)

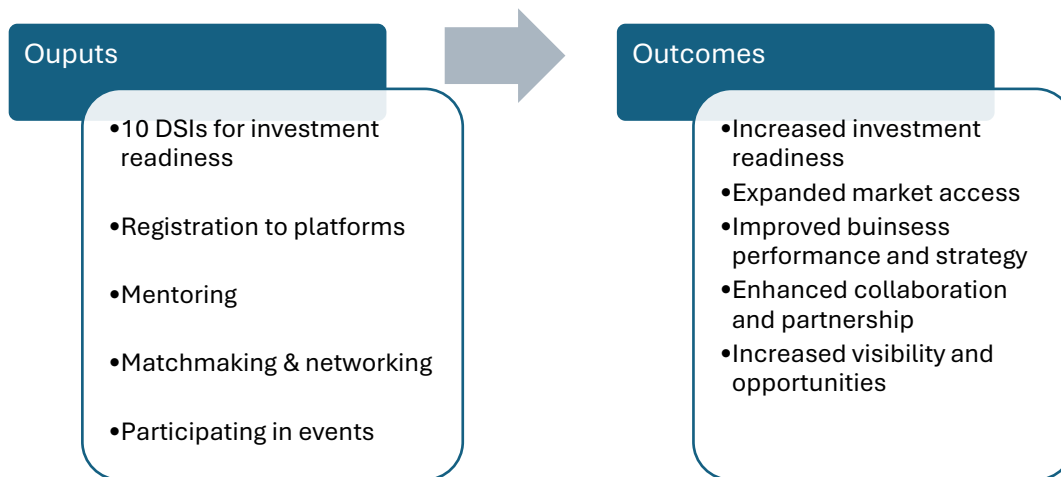
Milestone 4:

- a. Implement a robust monitoring and evaluation framework to track progress and impact.
- b. Use data-driven metrics to assess the effectiveness of interventions and inform decision making.

Expected Outcomes and Impact

36. Empower the uptake of DSIs owned by African companies, facilitate partnerships, scale impact, and promote learning and knowledge sharing, all aimed at advancing sustainable development and socioeconomic progress in Sub-Saharan Africa.
37. Bolster the ability of private sector entities to access, analyse, use, and share data for value creation.
38. Leveraging data-driven approaches, private sector entities can harness the power of data analytics to identify market trends, consumer preferences, and innovation opportunities, thereby enhancing their ability to create value and drive sustainable development in African markets.
39. Provides European actors with opportunities to identify African partners for scaling up and to gain data-driven insights into African markets, enabling informed decision-making and strategic expansion efforts.

Table 4. From Outputs to Outcomes



Budget

43. The operative budget allocated for the Call is total of up to **€600,000 including VAT and other government eligible taxes (where applicable)**.
44. These funds will be designated for procuring various services for the activities.
45. Travel and accommodation of beneficiaries, venue, and catering expenses are incorporated as ballpark level costs in each activity.

Contact

46. Questions and reporting in respect of these terms of reference should be directed to thinklikeaninvestor@haus.fi

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