

AFRIQUE

Appropriate funding to support African digital start-ups and their ecosystems



The Digital Africa seed fund supports the development of innovative entrepreneurship. It offers African start-ups technical and financial support. It also helps to strengthen the capacities of the hubs, incubators, and accelerators that support them.

CONTEXT

Approving the proof of concept, recruiting a team, developing a technology, setting up a business can all be part of the start-up phase of a company which is crucial to its future success. The heavy financial investments involved are sometimes difficult to bear, especially for innovative companies, which are viewed with more caution by investors. Currently, only 20% of African SMEs are eligible for bank loans and 87% of start-ups have no access to financing.

Appropriate technical and financial support and reinforcing a conducive ecosystem are essential for encouraging innovative entrepreneurship across the continent.

DESCRIPTION

The Digital Africa seed fund is dedicated to promoting innovative entrepreneurship in Africa. AFD's €15 million budget enables it to fund the programs of six local partners who support and finance digital start-ups from the outset of their business.

The Digital Africa Seed Fund provides direct financing for start-ups through the Greentec Capital Africa Foundation, the ABAN/Afrilabs consortiums, Mercy Corps Europe/Suguba, and Investisseurs & Partenaires. This financial support, ranging from €10,000 to €300,000, consists of an interest-free loan, subsidies in return for investments, repayable advances, and equity capital.

Through Bond'innov and Afrilabs' Afric'innov program, this fund supports capacity building and career development initiatives for incubators, accelerators, and hubs that offer maximum support for start-ups.

IMPACTS

This seed fund was launched in November 2019 by AFD and supports innovation in Africa. It should be a powerful catalyst for Africa and contribute to achieving sustainable development objectives such as access to education, healthcare, energy, job creation, and developing countries' digital economies.

By investing in technical and financial support for start-ups and their ecosystem, AFD is becoming a key partner for African digital entrepreneurs.

01/01/2019

Project start date

 Africa
Location

 Employment , Digital and Innovation
sector(s)

 Grant
financing tool(s)

 15 000 000 EUR
Financing amount

 3 years
Duration of funding

ONGOING

Status

African start-ups
Support mechanisms for innovative entrepreneurship
Beneficiaries

