

CATALYSING DIGITAL INNOVATION TOWARDS THE SDGS IN AFRICA: THE ROLE OF DIGITAL INNOVATION HUBS

Authors: **Eunice Ball; Stav Bar-Shany** – ATBN Africa Technology Business Network (United Kingdom);
Ana Solange Leal, Ana Aleixo; – INOVA+ (Portugal); **Gideon Brefo**; HapaSpace (Ghana)



The first trans-continental Networking Academy for African and European Digital Innovation Hubs

BACKGROUND

Digital innovation has increasingly become an important driver for Africa's social and economic development. Digital technologies are enabling solutions to address the region's pressing social challenges and creating a growing number of economic opportunities.

At the center of this digital transformation are innovative entrepreneurs who are developing locally-led solutions towards the Sustainable Development Goals (SDGs). For example, based in Kenya, Pezesh is a digital platform addressing financing gaps for SMEs; Ghana-based Agritech platform Farmerline, connects farmers to agricultural markets across West Africa and LifeBank, started in Nigeria, is known as the "Uber for blood" and delivers life-saving blood supplies to hospitals.

The emergence of these solutions is underpinned by innovation ecosystems which include actors such as investors, international development and philanthropic partners, policy makers and government actors, corporate partners, ecosystem enablers and Digital Innovation Hubs (DIHs).

Still, African innovation ecosystems face structural challenges such as limited funding, skills gaps and unfavorable policy environments which is hindering the potential for digital innovations to sustainably create impact at scale. Existing research suggests that one way to promote SDG-focused digital innovation in Africa is to strengthen the innovation ecosystem by resourcing and building the capacity of DIHs.

Our study aims to understand more clearly, the role of DIHs in the development of African digital ecosystems, their direct contribution to the SDGs, and how the work of DIHs can be strengthened to drive sustainable development.

RESEARCH QUESTIONS & METHODOLOGY

1. What role do DIHs play in the development of the digital ecosystems in Ghana, Nigeria, Tanzania and Uganda?
2. If and how does the work of DIH contribute to the SDGS?
3. How can the role of DIHs be strengthened to promote digital innovation towards the SDGs?

In 2021, as part of the establishment of AfriConEU – a transcontinental network connecting DIHs across Europe and Africa – we carried out a 6-months research across four African countries; Ghana, Nigeria, Uganda and Tanzania. Data was collected using a range of methods including:

- Desk-based research
- 60 virtual, semi-structured, one-to-one interviews were conducted with hub leaders and managers, entrepreneurs, investors, ecosystem builders and network organizations
- 4 country-specific virtual roundtables attended by a cross-section of actors
- 2 surveys – an ecosystem survey completed by 266 respondents; and a DIH capacity needs survey that was completed by 32 hub leaders

[Read the full report](#)

State of play in African DIHs: The case of Ghana, Nigeria, Tanzania and Uganda.
Africa Technology Business Network, 2021

RESULTS

We found that currently DIH in Africa are contributing to the SDGs at 3 levels:

1. DIHs play a central role not only in nurturing innovative solutions but also in catalyzing the growth of local digital ecosystems. We identify six roles of African DIHs including: Creating a community where innovators and ecosystem actors can connect; Developing talent pool; Providing spaces and infrastructure; Connecting startups to investment; Accelerating startups and supporting entrepreneurs; Educating governments and advocating for enabling policies. By enacting these diverse roles DIH across Africa are by de facto leading the growth of local innovation ecosystems and thereby directly contributing to **SDG 9** which seeks to **"build resilient infrastructure, promote sustainable industrialization and foster innovation."**

2. By taking an active part in international programs such as the AfriConEU which connects African and EU DIHs to foster knowledge sharing and collaboration, DIHs contribute to **SDG 17**. Specifically, but not limited to target 17.6 – **"Knowledge sharing and cooperation for access to science technology and innovation."**

3. Our findings highlighted how the work that DIHs are doing is fundamental to supporting local digital entrepreneurs to make progress towards meeting many of the SDGs. Specifically we found DIHs are contributing to digital innovation in the areas of **Gender (SDG 5)**, **Climate Change (SDG 13)** and **Health (SDG 3)**. For example **HapaSpace Ghana** works with startups to employ a green approach within their operations; **Buni hub Tanzania** leads the Divaz program, supporting women led startups; and **Outbox Uganda** supports young people to establish businesses that address challenges in sexual reproductive health.

Despite their crucial role however, our findings revealed four key challenges that are limiting the impact of hubs as catalysts for innovation to address the SDGs: the failure of current funding models to effectively support the work of hubs; lack of sustainable business models; capacity and expertise gaps and; weak cross-sector partnerships within ecosystem players.

Building the capacity of African DIHs to play their role more effectively is therefore crucial to driving digital growth and economic development in the region and ensure continuous contribution to the SDGs.

RECOMMENDATIONS

We encourage policymakers, funders, investors, innovators and sustainable development practitioners to recognize African DIHs unique contribution to innovation ecosystem growth and find ways to support and collaborate with them.

We also call for these actors to think more strategically about how to continue to develop local innovation ecosystems in a way that ensures their sustainable growth. For example, by introducing innovative funding mechanisms such as catalytic capital that is able to address financing gaps and de-risk and attract other forms of capital, or developing new ways to work with government and municipalities to develop effective policies.

We believe that African DIHs, given their unique position within local ecosystems and continued proliferation in the face of many challenges, can provide immense learning opportunities for the rest of the world about how to support SDG-focused innovation, particularly in low resource environments. We therefore encourage further research into the operations of African DIHs and how their model can benefit other DIHs and innovation ecosystem builders in other regions.