



EU-funded opportunities in Africa in the digitalization sector

Webinar, April 6th, 2022

EU-funded opportunities in Africa in the digitalization sector

BUSINESS
FINLAND



Opening, Juha Savolainen, Ministry for Foreign Affairs

EU's Global Gateway strategy boosting investments in developing countries, Jyrki Pulkkinen, Ministry for Foreign Affairs

Status of EU's D4D programming, Silja Leinonen, Ministry for Foreign Affairs

Private Sector Advisory Group for D4D Hub, Jyrki Härkki, Finland's Permanent Representation to EU, Brussels

Business Finland's role in seizing opportunities for Digital Solutions in Africa, Carita Tissari da Costa, Business Finland

FINNFUND's role in digitalization in Africa, Jussi Ahonen, FINNFUND

Experiences in growing business in Africa and recommendations for Team Finland

CASE 1: Brahim Ghribi, NOKIA

CASE 2: Jussi Hinkkanen, Fuzu Ltd.

Discussion

EU's Geopolitical Strategy: Global Gateway



- Global Gateway is EU's new **geopolitical** strategy guiding the investments globally and especially in partner countries in 5 priorities: Digitalization, Climate & Energy, Education, Health and Transport.
- Global Gateway aims at mobilizing investments of up to **€300 billion** between 2021 and 2027.
- EU and member states will offer its **financing** under fair and favorable terms
- Digital Trusted Connectivity and digitalization is seen as a priority as it accelerates the other priorities.
- Digital initiatives are channeled through **D4D Hub as well as large Flagship projects**
- Investments are coordinated by the D4D Hub, and Finland is leading (together with France and EUC) the connectivity part of digitalization in Africa
- Two flagships under preparation in Africa: Data Flagship and AEIDB
- https://ec.europa.eu/info/strategy/priorities-2019-2024/stronger-europe-world/global-gateway_fi

EU's development policy and funding – changes for 2021-2027



- Focus in Africa and deepening cooperation
- Traditional development assistance is not enough
 - Leveraging private funding (blending, guarantees)
- Need for consolidation of EU activities (multiple instruments and overlapping activities)
 - Team Europe Initiatives
 - Single funding instrument [NDICI](#) (or Global Europe)

Overview of EU Digital Programming 2021-2027



- The bulk of EU financing for digitalisation will be through NDICI-Global Europe regional and national allocations. Africa is the priority region.
- More emphasis is now put on Digital Connectivity following the launch of the Global Gateway, in all partner regions
 - Global digital connectivity master plan in preparation
 - Aim to expand safe, secure first and last mile digital and data infrastructure; enhance connectivity between Europe and partner regions; build innovation ecosystems and cooperation on improved digital connectivity (incl. in key verticals)
 - EFSD+ instrument in key role in terms of digital connectivity and innovation investments
- Major country-level D4D Team Europe initiatives are under planning in certain countries (e.g. Kenya) and at regional level (EU-LAC Digital Alliance, Sub-Saharan Africa D4D Framework, ASEAN and Central Asia Digital Connectivity initiatives).



Digital4Development Hub

Regional Digital Team Europe Initiatives

Digital4Development Hub, D4D Hub



- D4D Hub is a coordination mechanism for digital Team Europe initiatives
- 12 Like-minded countries have joined D4D Hub
 - Germany, France, Belgium, Estonia Luxembourg, **Finland**, Lithuania, The Netherlands, Portugal, Spain, Sweden and Slovenia + EIB
- D4D Hub Africa branch thematic working groups
 - **Digital Connectivity** (Finland leading with France and EC)
 - Digital Literacy & Skills (Finland as a member)
 - Innovation & Entrepreneurship (Finland as a member)
 - Digital Governance (Finland as a member)

• <https://d4dhub.eu/>

D4D Hub Private Sector Advisory Group, PSAG



- Consultative body for D4D Hub to concretize Team Europe approach and foster sustainable and human-centric digital transformation.
- Connectivity, E-government, Financial services, Innovation, Education, Green transition/Green Deal, Health, Smart Cities/Urban development, E-commerce
- From big players to SMEs, start-ups and more
- Open and transparent application process
- PSAG ToR will be submitted to companies upon request





Thank you!

SEIZING OPPORTUNITIES FOR DIGITAL SOLUTIONS IN AFRICA

HOW BUSINESS FINLAND SUPPORTS YOUR INTERNATIONAL GROWTH?

*"I need to know and
meet the right people in
my target market"*

CONTACTS AND NETWORKS

We help you to find and gain
access to relevant verified
contacts and networks

*"I need help with
funding and finance"*

INTERNATIONALIZATION FUNDING

We offer funding to plan
internationalization and for
actions in markets

*" I need help to grow
my global sales"*

GLOBAL GROWTH ACTIONS

We help you to plan how to
increase international sales
either in the beginning of your
journey or in later stages.



*" I need to know how to
act in a specific business
culture"*

BUSINESS CULTURE

We help you to understand
how to operate and act
according to local business
behavior.

*"I need business facts for
market understanding"*

MARKET INFORMATION

We help you to gather needed
market information to make
fact-based decisions.

FUNDING

BUSINESS FINLAND FUNDING FOR DIFFERENT STAGES OF DEVELOPMENT

Examples of funding

INNOVATION VOUCHER	EXPLORER PRODUCTS	TEMPO	INTO	RESEARCH ORGANIZATIONS	NIY (Under 5 y.o. fast growing start-ups)	R&D
Buy innovation expertise	Funding to support companies' internationalization	For companies aiming for international growth	Innovation expertise in support of international growth	Commercialization of research findings and joint projects with companies	Scale globally. Develop the strategy, team, business model in a comprehensive manner.	Develop a service, product, process, or a business model. Prove that your product works.
Grant 100%	Grant 50 %	Grant 75 %	Grant 50 %	Grant	Grant and loan gradually	Loan 50% / 70% Grant max. 50%

<https://www.businessfinland.fi/en/for-finnish-customers/services/funding>

DEVELOPING MARKETS PLATFORM

<https://www.businessfinland.fi/en/whats-new/calls/2022/developing-markets-co-creation-funding-call>

16/5

CALL 24.2.-16.5.2022

DEVELOPING MARKETS: CO-CREATION FUNDING CALL

Submit your application before **Monday 16.5.2022 at 23:59!**

MORE INFORMATION

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Do you have a research idea, experiences and connections for creating business in developing markets? Are you developing a consortium at your educational institution or research organization showing high potential for company involvement? Business Finland [Developing Markets Platform](#) (DevPlat) has teamed up with [Finnpartnership](#) [↗](#) to offer a new funding pathway for either kick-starting or further developing the consortium.

MEGA OPPORTUNITIES

SERVICES FOR DIGITALIZING SOCIETIES

<https://www.businessfinland.fi/en/do-business-with-finland/explore-key-industries/mega-opportunities>



**Identification
of major
development
projects and
opportunities**



**Beneficiation of
transformative
ecosystemic
solutions**



SDG-driven



**Collaborative
partnerships**



**Sourcing of
financing
solutions**



Finnfund Digital Infrastructure and Solutions in Africa

EU-funded opportunities in Africa in the digitalisation sector
April 2022



Finnfund builds a sustainable future and generates lasting impact by investing in businesses that solve global development challenges.

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Digital Infrastructure and Solutions



WHY

Access to basic mobile services and more affordable and higher speed internet connection, increased productivity and improved access to products and services.

WHAT

Cellular towers, telecom-energy solutions (T-Esco), data centres, fintech, e-logistics, e-commerce, healthtech, agtech and edutech

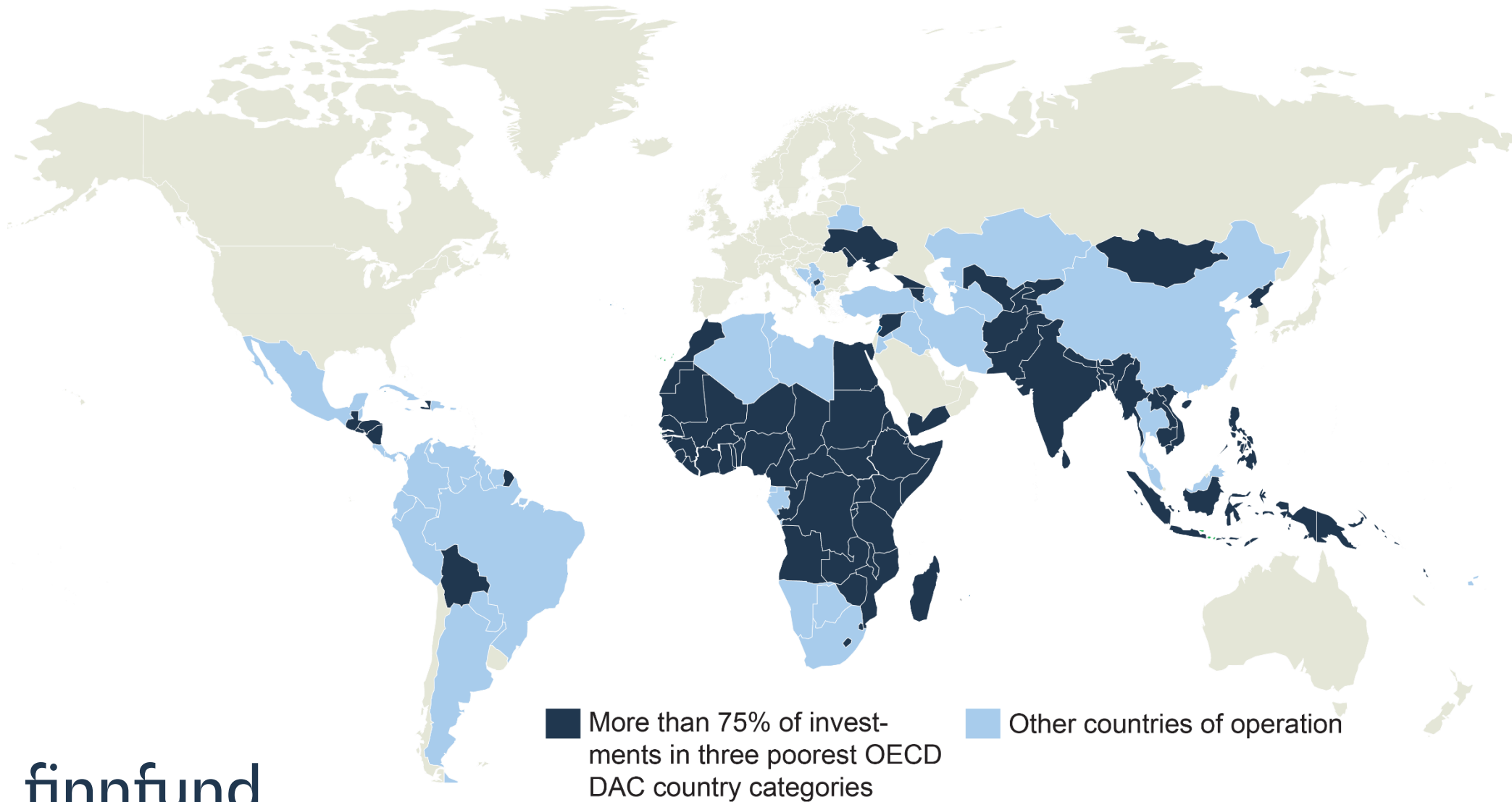
EXAMPLES

Net1, Indonesia: bringing internet connectivity to underserved areas in the fourth most populous country in the world

Kasha, East Africa: e-commerce platform improving women's access to genuine health, hygiene and self-care product

JUMO, Africa and Asia: Fintech

Strong focus on lower-income countries





How digital infrastructure and solutions promote sustainable development?

Why is it important?

Usage gap: Over half a billion people who are living in areas with a mobile broadband network are not using mobile internet, despite substantial increases in mobile broadband coverage since 2014 (GSMA 2021).

Affordability: Affordability has improved substantially but remains a key barrier. Due to the Covid-19 pandemic, decline in per capita income has worsened especially handset affordability (GSMA 2021).

Gender gap: Significant gender and rural-urban gaps persist. Women are 37% less likely to use mobile internet than men.

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- financing
- expertise and responsible practices
- mobilization of funding



Financing for
Digital infrastructure
and solutions

Direct impacts



Company

New and improved infrastructure
New applications
New devices

Cheaper connections



People

Improved access to internet
Improved access to services
Improved access to markets

Access to information
Personal identification



Environment

More efficient logistics
Resource efficiency

Indirect impacts

Lower costs of production
Lower transactions costs
Access to new markets and clients

Access to finance and cashless transfers
New, data-driven business models
Enhanced resilience to shocks

Remote work and education opportunities
Enhanced resilience to shocks, reduced vulnerability

Improved livelihoods
Improved citizenry

Less traffic
CO2 reductions
Waste reductions

Wider impacts

Inclusive growth

Government savings

Enhanced women's economic participation

Improved civic participation, more informed people, improved democracy

Decentralized information

Improved health and education outcomes

Improved resilience

Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



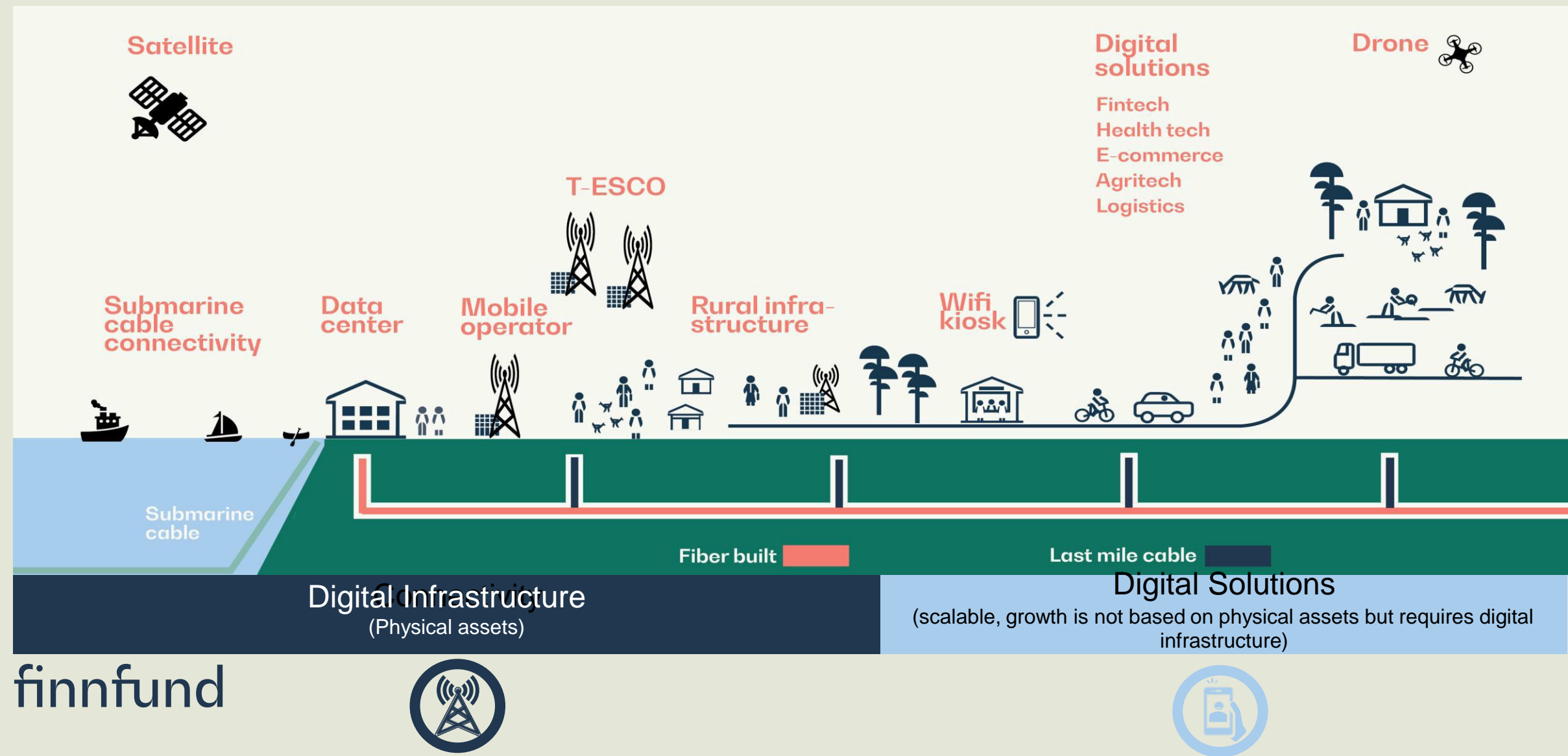
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



Digital Infrastructure & Solutions landscape



EXAMPLES OF OUR WORK

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Selected investments: Digital Infrastructure

Rural connectivity



Net1 Indonesia brings internet connectivity to underserved area

Better and high speed network



Finnfund's investment in BCS increases access to internet in East, Central and Southern Africa

Energy efficiency



Finnfund's USD 10 million investment makes telecommunications in Lebanon and Guinea more reliable and energy-efficient

2X CHALLENGE
FINANCING FOR WOMEN

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Selected investments: Digital Solutions

Financial inclusion



Fintech platform JUMO brings financial services to mobile users

Financial inclusion



Mobile banking service M-Birr offers low-income people access to the official money economy

Gender empowerment



E-commerce platform Kasha improves women's access to health, hygiene and self-care products in East Africa

2X CHALLENGE
FINANCING FOR WOMEN

2X CHALLENGE
FINANCING FOR WOMEN

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BCS: Increasing access to internet in East, Central and Southern Africa

- Large areas still rely on satellite connections and in many countries, data transfer prices are amongst the highest in the world.
- By building their own infrastructure, BCS can offer full connectivity throughout the region with lower prices.
- Investing in digital connectivity supports the economic growth of East, Central and Southern Africa and facilitates inclusive access to critical services in finance, education and health.
- With fast and reliable internet, also the small businesses are able to scale up and reach markets that they were unable to access.
- BCS has women in leadership positions as well as policies in place to empower women in workforce.

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Kasha: Improving women's access to critical health products in East Africa

- Many women lack access to safe, high-quality, and affordable health and personal care products.
- A UNESCO report estimates that one out of 10 girls in sub-Saharan Africa misses school during her menstrual period.
- Kasha sells menstrual care products, contraceptives, pharmaceuticals and a range of beauty products via its own platform.
- Kasha has served over 55,000 clients, of which 75% are low-income.

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JUMO: Banking services for the poor in Africa and Asia

- Low-income people and small entrepreneurs are often excluded from banking services and depend on expensive informal financing
- JUMO combines mobile technology with data to create reliable and affordable financial services accessible to all
- Finnfund commitment USD 16 million loan and equity (2017)
- JUMO has disbursed 35 million loans. Financing small businesses promotes youth employment in Africa and Asia

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Thank you!

More about our work at

www.finnfund.fi/en

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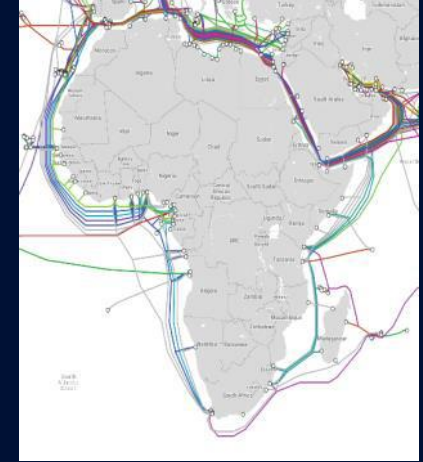
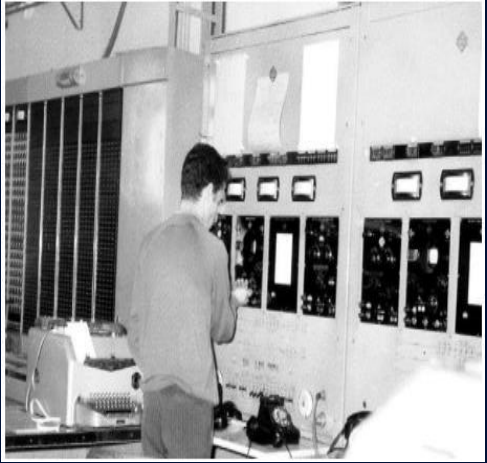
April 6th, 2022

Brahim GHRIBI

Nokia

brahim.ghribi@nokia.com

Connecting Africa since 1860



40+

Countries

200+

Customers

40+

4G Networks

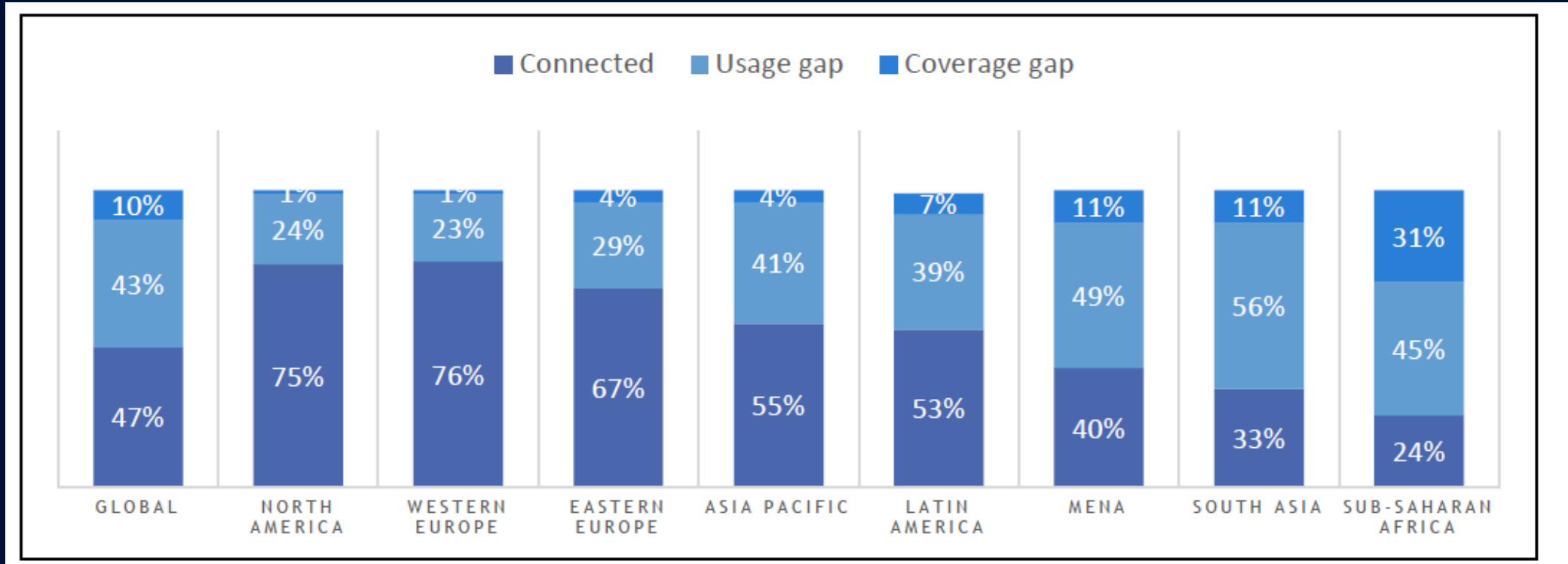
35+

Fiber Networks

10 +

Submarine
Networks

Africa: Coverage and Usage Gaps



Source: GSMA Intelligence/EIB report

Different fronts



Connectivity
coverage



International
capacity



Service quality &
Industrialization



Affordability

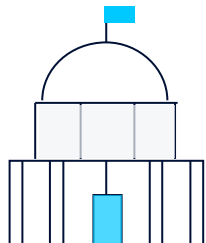


Empowerment
& Development

Infrastructure is only half of the equation

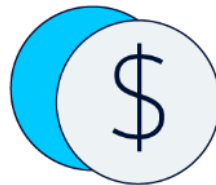


Potential areas of focus and collaboration



Favorable policy & regulatory environment

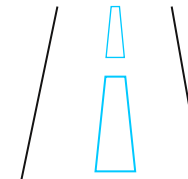
- EU-AU and Finland –Africa **joint agenda** and Gov 2 Gov collaboration
- **Accelerate** infrastructure rollout
- **Adapted business models** and incentives to invest in under-covered zones (PPP, JVs, commercial agreements,...)
- **Ease of doing business** (permitting, logistics, taxation,..)



Funding

- Use **public funding** for digitalization & connectivity as seed money, to further mobilize private sector investments
- Provide **growth capital** on more favorable terms to projects operating in conditions that do not provide attractive business cases for private investors
- Support **impactful projects and initiatives** towards achieving the UN SDGs inclusion, gender empowerment, and connecting the unconnected (remote schools, talent, skills, ...)

Public



Build a sustainable infrastructure

- Re-enforce **bundled infrastructure projects** policies to reduce overall investments costs (e.g. roads, telecom, civil works, ..)
- Support **innovative and pioneering initiatives** by reducing project risks and investor uncertainty in instances where a project is experimenting with new business models or technologies such as IoT, 5G, and cloud.
- Support **public sector and vertical industries** digital transformation projects (transportation, energy, public safety, agriculture, health, Education,..)

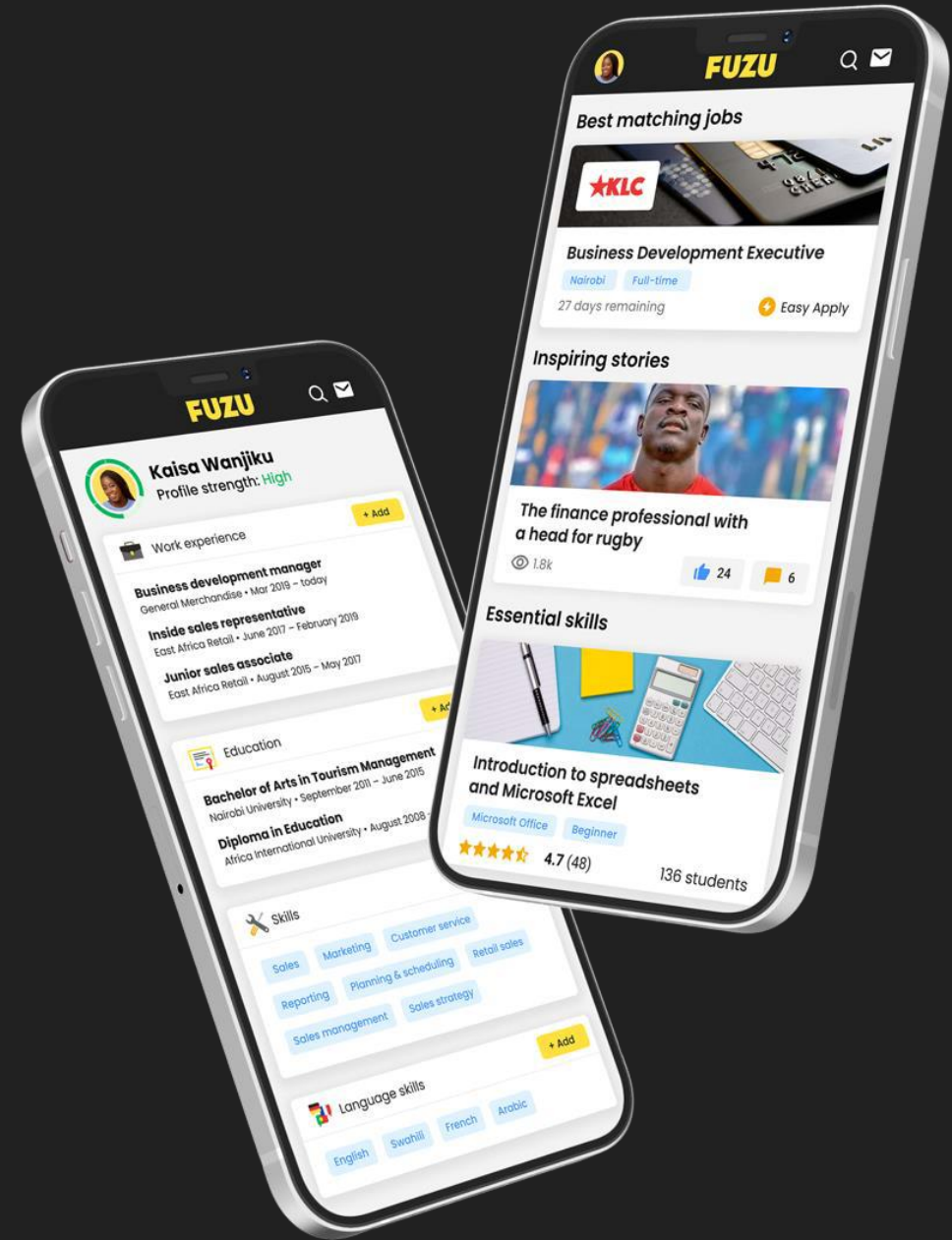
NOKIA



Experiences from operating in Africa

EU-funded opportunities in Africa in the digitalization sector

6th of April 2022



Agenda

1. Introduction to Fuzu
2. Investment landscape and current growth sectors
3. What is needed to succeed in Africa?
4. What type of support do Finnish businesses need?

Fuzu: Preparing people and organisations for success

[fu:žu] *Swahili verb for qualify; progress; succeed*

- ✓ Africa's fastest growing career development platform for Africa's next billion job seekers
- ✓ AI-powered fully personalized job recommendation and growth engine
- ✓ SaaS talent attraction and management for SMEs to leading corporates
- ✓ Mobile-first web app for emerging markets
- ✓ Payment integrations and legal setup ready for 10+ markets

Management with 50+ years experience at Nokia, Microsoft, IBM, McKinsey, Bain, Jumia, & World Bank,

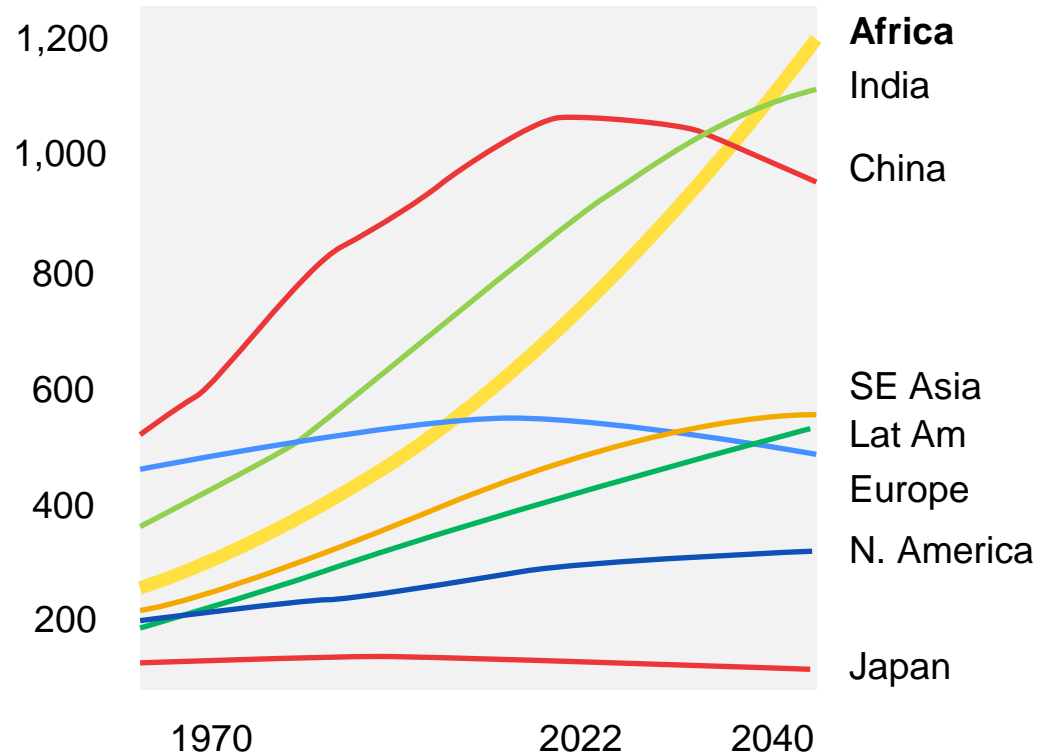


Africa's workforce is growing rapidly, posing a massive human capital challenge and an opportunity

Africa will have the world's largest workforce by 2035

With rapidly growing spending power and digital access

Size of working age population, millions



\$2.1
trillion

Consumer spending power by 2025

65%

Households earning \$5,000+

83%

Smartphone penetration in Kenya. 50% in Africa

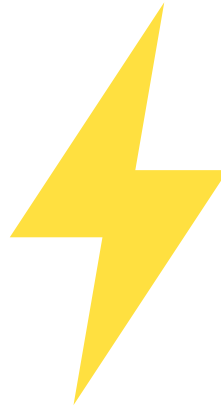
850
million

People moving to cities by 2050, with 80% more spending power

The disconnect between Job Seekers and Employers runs deep and is hard to solve with 20th century tools & mindset

Career Builder

- Too few jobs that match skills and interests
- Does not know what jobs and career paths would be the right fit and in demand
- Lacks access to affordable and fit-for-market tools to unlock professional growth
- Sends countless applications and never receives feedback
- Frustrated by “closed network” professional communities



Employer

- Fails to attract top talent, but still receive thousands of applications
- Applicants lack relevant skills and experience
- Seeks cost-effective solutions with clear RoI
- Struggles with validating skills and fit of candidates
- Lacks in-house HR or talent development expertise
- Possesses no tools for providing feedback



To support job market transformation, Fuzu has developed three distinct service lines

1

Fuzu Career Builder

Accelerating growth of talent through personalized support

- ✓ Planning and goal setting
- ✓ Coaching
- ✓ Learning and skill validation
- ✓ Personalized job and learning recommendations
- ✓ Application management with automated feedback
- ✓ Inspirational content
- ✓ Community development

Built for



Active workforce from entry level to senior professionals

2

Fuzu Employer

Supercharging talent acquisition and development

- ✓ Building employer branding
- ✓ Finding just the right talent
- ✓ Testing and validating candidates
- ✓ Analysing candidates for fit and potential
- ✓ Matchmaking organizations with auto-headhunted talent
- ✓ Developing talent
- ✓ Community development

Built for



Employers from small SME's to large enterprises and multinationals

3

Fuzu Program

Building high impact employability programs for millions

- ✓ Automation of beneficiary outreach and selection
- ✓ Learning environment with personalized guidance
- ✓ 24/7 support from personal coaches and online tools
- ✓ Partner management and job opportunity posting
- ✓ Tools for employers
- ✓ Fully branded program space
- ✓ Data collection and M&E

Built for

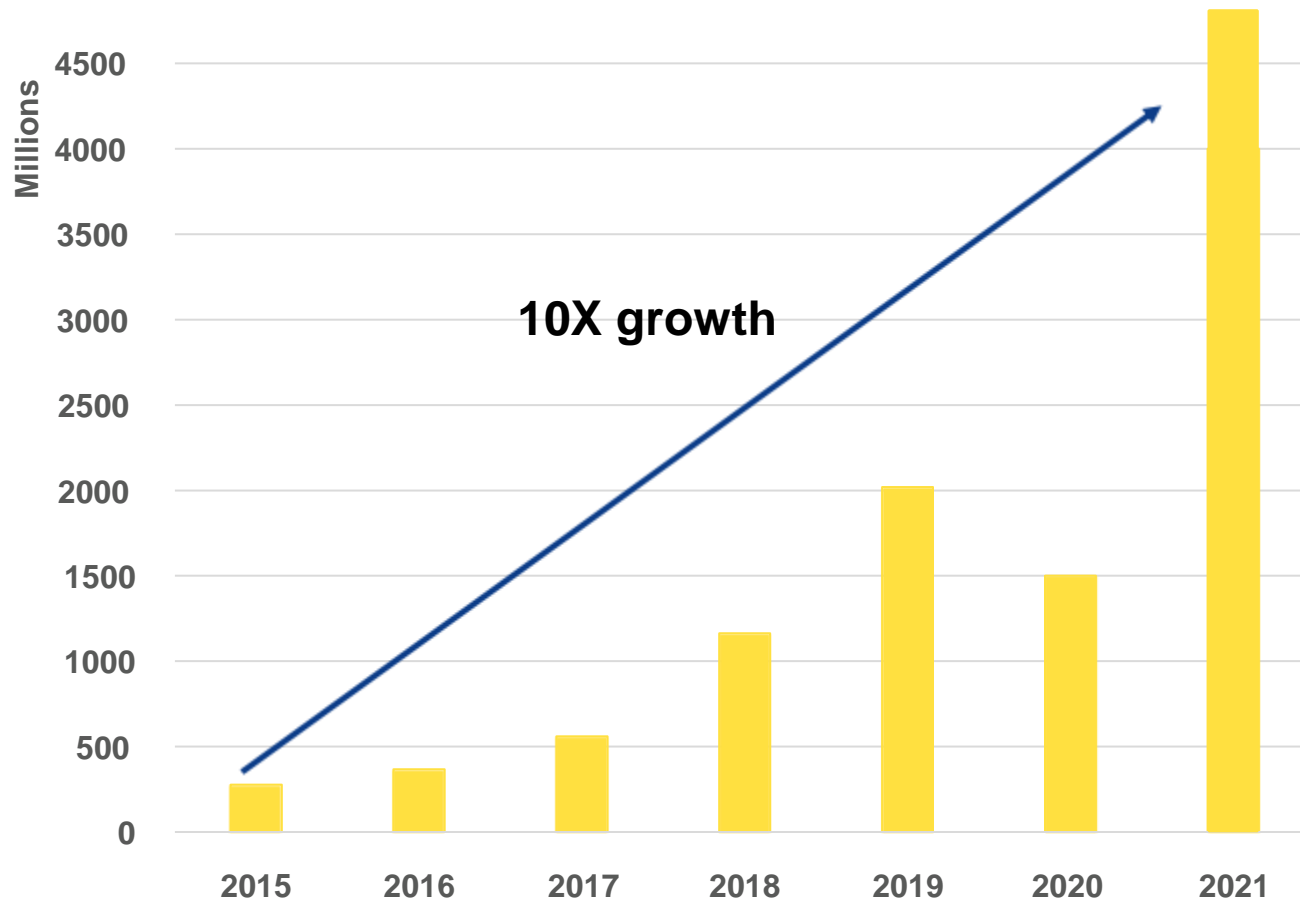


Employability programs that are ready to scale up their impact

Leading brands rely on Fuzu with their talent acquisition



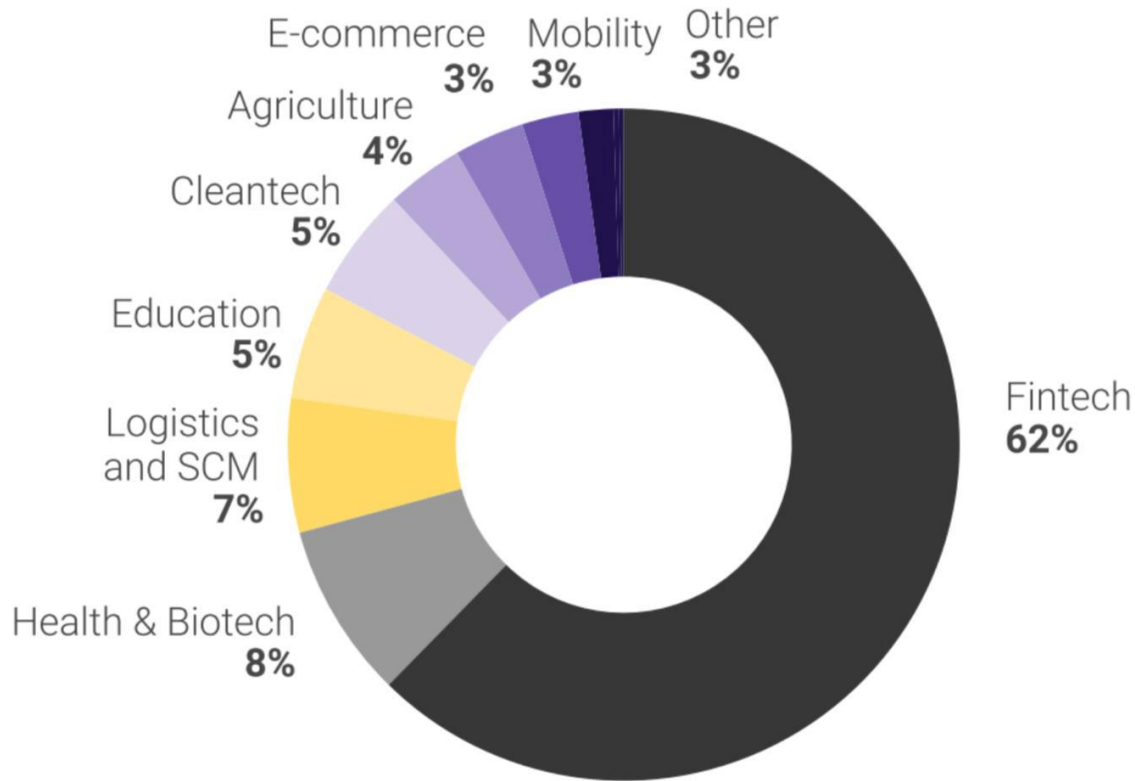
Fast growth of the startup scene driven by digitalization



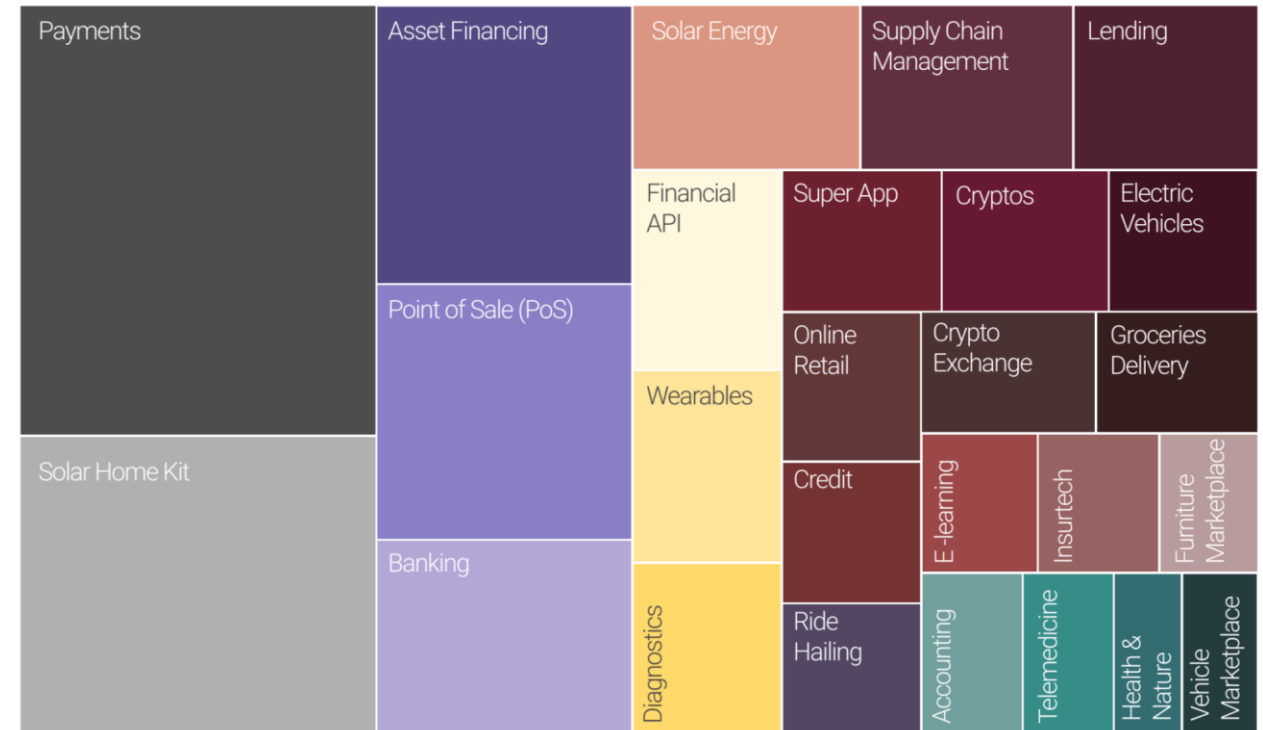
- Equity investments (seed, Series A/B/...) have grown by 10x since 2015
- Much of the growth is driven by various forms of digitalization of the economy
- Key growth sectors include:
 - Fintech
 - eCommerce
 - Logistics
 - Energy
 - Education
 - Health
 - Environment

Sectors receiving funding and products with strong traction

Sectors receiving funding in 2021



Products built by investees



Why are growth companies focusing on Africa and attracting increasing amount of capital?

1. Africa represents one of the last major untapped market opportunities globally
2. Market entry cost and cost of scaling are still relatively low
3. Africa presents abundance of challenges/opportunities requiring disruptive solutions (banking/finance, energy, education, health, environment, etc.)
4. Growing interest from global investors
5. Motivated, ambitious and hard working local and international workforce
6. Doing business often equals positive social impact – millennials are searching for meaning

What does it take to succeed?

1. **Market understanding** – what market (segment) the company is after
2. **Continuous hands-on market research** (users, business models, etc.) and **experimentation** to establish **product-market-fit** in the target segment
3. **Local operations** driven by a local team with strong in-house capacity to develop and execute business
4. **Multi-year** strategy and commitment

What type of support do Finnish businesses need?

Focus area	What is this?	Why is this important?
Piloting and market research support	<ul style="list-style-type: none"> - Financial support to conduct in-market piloting and Go-to-Market research (user research, business model experimentation, channel analysis and partnerships) - Agile instrument that supports both technical and commercial pilot activities - Should not dependent on de minimis regulation - Provide access to a pre-vetted pool of consultants and service providers 	<ul style="list-style-type: none"> - Barrier of entry for experimenting with unfamiliar markets is high - Finnish businesses do not often possess adequate market understanding or capacity to conduct high quality market research
R&D support	<ul style="list-style-type: none"> - Financial support for developing locally relevant products and services 	<ul style="list-style-type: none"> - What works in Finland, does not work in Africa (or at least not in desired scale)
Equity, grant, debt and project based funding	<ul style="list-style-type: none"> - Seed through Series A/B/C/... equity funding for different stages of maturity – with priority track for Finnish ventures - Active matchmaking with global investors - Debt and grant based growth capital - Project funding / development projects to leverage disruptive solutions 	<ul style="list-style-type: none"> - Finnish ventures are not well positioned to attract emerging market focused growth capital - Capital is hard to access locally and very expensive – soft capital lowers barrier of entry for equity investors - Grant/project-based funding speeds up finding of product-market-fit
Matchmaking support	<ul style="list-style-type: none"> - Establishment of strong network of high quality businesses and service providers operating in Africa - Roster of potential clients, consultants, service providers, networking platforms to support new market entrants 	<ul style="list-style-type: none"> - Networking is time consuming and expensive - Focus on quality and value in partnerships is critical vs. quantity
Knowledge banks	<ul style="list-style-type: none"> - Knowledge banks with strategic market, sector and socio-economic data (consolidated from available sources, purchased research products and purpose-built studies) - Roster of consultants to support further market analysis 	<ul style="list-style-type: none"> - Africa is still a data poor continent - Available data is distributed and difficult to access



Thank you!

Jussi Hinkkanen – CEO of Fuzu Ltd

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