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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX 20

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of Sub-Saharan Africa for 2024-2025

Action Document for Africa-Europe Digital Innovation Bridge 2.0 (AEDIB 2.0)

MULTIANNUAL PLAN

This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

Action Summary Table

| | |
|---|---|
| 1. Title CRIS/OPSYS business reference Basic Act | Africa-Europe Digital Innovation Bridge 2.0 (AEDIB 2.0) OPSYS number: ACT-62566 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe) |
| 2. Team Europe Initiative | Yes, this action contributes to the regional TEI <i>D4D for Digital Economy and Society in Sub-Saharan Africa</i> , contributing to the entrepreneurship and skills pillar. |
| 3. Zone benefiting from the action | The action shall be carried out in Sub-Saharan Africa (SSA) |
| 4. Programming document | Sub-Saharan Africa Multi-Annual Indicative Programme 2021-2027 (SSA Regional MIP) |
| 5. Link with relevant MIP(s) objectives / expected results | The Action falls under the SSA regional MIP, Priority area 4 (Digital and Science, Technology and Innovation), Specific Objective 1, Expected Results 1.1, as well as Specific Objective 2, Expected Results 2.2 and 2.3. |
| PRIORITY AREAS AND SECTOR INFORMATION | |
| 6. Priority Area(s), sectors | The proposed Action intends to contribute to Priority area 4 – Digital and Science, Technology and Innovation of the regional MIP for SSA, more concretely to. <u>Specific Objective 1:</u> Support an inclusive and human-centric Digital transformation in Africa. Expected Results 1.1: Secure, human-centric and harmonised digital standards, legal and regulatory frameworks are promoted at regional/continental levels. <u>Specific Objective 2:</u> Enhance the effective use of Science, Technology and Innovation (STI) for sustainable development in Africa. Expected Results 2.2: Africa cross-sectorial development is improved by making effective use of STI and data driven services. Expected Results 2.3: Effective STI governance in Africa is promoted |
| 7. Sustainable | Main SDG: |

| | | | | |
|------------------------------------|---|-------------------------------------|-------------------------------------|----------------------------|
| Development Goals (SDGs) | - SDG 09: Industry, Innovation and Infrastructure Other significant SDGs: - SDG 2 (Zero Hunger) - SDG3 (Good health and well-being) - SDG 5 (Gender equality) - SDG 7 (Affordable and clean energy) - SDG 8 (Decent work and economic growth) - SDG 10 (Reduced inequalities) - SDG 13 (Climate Action) - SDG17 (Partnerships for the goals) | | | |
| 8 a) DAC code(s) | 22040 – ICT – 60% 32130 – Small and medium-sized enterprises (SME) development – 30% 25030 – Business Development Services – 10% | | | |
| 8 b) Main Delivery Channel | 61000 - Private sector in provider country 62000 - Private sector in recipient country 90000 - Other | | | |
| 9. Targets | <input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance | | | |
| 10. Markers (from DAC form) | General policy objective @ | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment @ | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality and women's and girl's empowerment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Reproductive, maternal, new-born and child health | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Disaster Risk Reduction @ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Inclusion of persons with Disabilities @ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Nutrition @ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | Not targeted | Significant objective | Principal objective |
| | Biological diversity @ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification @ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation @ | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation @ | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Internal markers | Policy objectives | Not targeted | Significant objective | Principal objective |

| | | | | |
|--------------------------------------|--|--|--|-------------------------------------|
| and Tags: | Digitalisation @ | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services | YES <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> | NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | / |
| | Connectivity @ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | digital connectivity energy transport health education and research | YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | / |
| | Migration @ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Reduction of Inequalities @ | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Covid-19 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| BUDGET INFORMATION | | | | |
| 12. Amounts concerned | <p>Budget line(s) (article, item¹):</p> <p>Budget lines:</p> <p>14.020120 : 12 250 000</p> <p>14.020121 : 12 250 000</p> <p>14.020122 : 10 500 000</p> <p>Total estimated cost: EUR 35 000 000</p> <p>Total amount of EU budget contribution: EUR 35 000 000</p> <p>This action will be implemented as part of the regional TEI <i>Digital Economy and Society in SSA</i>, in cooperation with six EU Member States (BE, DE, EE, FI, FR, NL). This action is expected to be co-financed by some of the EU MS participating in the Team Europe Initiative (TEI).</p> | | | |
| MANAGEMENT AND IMPLEMENTATION | | | | |
| 13. Type of financing | Direct management through: - Grants | | | |

¹ Calculated as follows: 35% from West Africa budget line, i.e. 14.020120 (€12 250 000), 35% from Eastern Central Africa budget line, i.e. 14.020121 (€12 250 000) and 30% from Southern and Indian Ocean budget line, i.e. 14.020122 (€10 500 000).

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| | Indirect management with the entity (is) to be selected in accordance with the criteria set out in section 4.4.2. |
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1.1 Summary of the Action

The main objective of this Action is to strengthen digital transformation and green transition between Africa and Europe, with the long-term goal of establishing a single market for digital innovation between both continents and positioning the EU as reference partner for Africa. Underpinned by enabling entrepreneurship, research and innovation policies, this action will promote digital transformation in Africa by scaling digital businesses and creating a supportive ecosystem for digital innovation, while leveraging existing successful mechanisms, frameworks and partnerships between Europe and Africa.

To fully harness the potential of the digital economy and to deliver on common challenges, the European Union (EU), its Member States and the African Union (AU) joined forces on the creation of an Africa-Europe Digital Innovation Bridge 2.0 (AEDIB 2.0) during the EU-AU Summit in February 2022. AEDIB 2.0 builds on best practices and lessons learned from AEDIB|NET, a pilot project deployed in 11 countries in sub-Saharan Africa and funded under the Horizon 2020 programme.

To deliver on this overarching objective of strengthening digital transformation and the green transition between Africa and Europe, this Action will focus on three (3) Strategic Objectives (SOs) as its main elements:

- **SO1:** Enhance digital entrepreneurship and innovation policies
- **SO2:** Strengthen Digital Innovation Ecosystems for Digital Transformation and Green Transition
- **SO3:** Improve access to finance for innovative (including women-led) ventures supporting Digital Transformation and Green Transition.

The anticipated results are increased digital entrepreneurship, more robust digital economies and ecosystems in African countries, success stories of businesses that benefited from the program², enhanced EU-Africa digital cooperation, strengthened policies and capacities to support the digital ecosystem, better articulation of research support for the digital ecosystem and increased linkages between academia and industry.

This Action contributes to the achievement of Priority Area 4 of the SSA Regional Multi-Annual Indicative programming (MIP), i.e. Digital and Science, Technology and Innovation, more concretely to *Specific Objective 1: Support an inclusive and human-centric Digital transformation in Africa* and *Specific Objective 2: Enhance the effective use of Science, Technology and Innovation (STI) for sustainable development in Africa*. The key priority sectors that will be covered include 22040 – ICT, 32130 – Small and medium-sized enterprises (SME) development and 25030 – Business Development Services. In the same line, the activities and outcomes from this Action will address several SDGs, primarily, SDG 09: Industry, Innovation and Infrastructure. Other SDGs that will be targeted include SDG 2 (Zero Hunger), SDG3 (Good health and well-being), SDG 5 (Gender equality), SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 10 (Reduced inequalities), SDG 13 (Climate Action) and SDG17 (Partnerships for the goals).

This Action follows a Team Europe approach, promoted by EU MS like Belgium, Germany, Estonia, Finland, France, and The Netherlands. Similarly, this Action seeks to build increased partnerships with the private sector and to leverage the full potential of the Team Europe approach, including the financial power, expertise, and network of European and African corporates, start-ups, investment communities and Digital Innovation Hubs. This important bridging element is central to AEDIB 2.0 and will operate at continental, regional and national levels in both continents.

This Action will seek synergies with the Team Europe Initiative *Investing in Young Business in Africa* (TEI IYBA), as well as with the Digital and Green Innovation (DGIx), maximizing complementarities. In addition, AEDIB 2.0 will identify synergies with other EU-funded projects/programmes/initiatives that have relevant

² For example, number of hubs adopting an open-source quality assurance mechanisms developed via this Action; percentage increase in hub capacity and sustainability; number of regional and cross-border innovation partnerships established; number of ventures (businesses) supported.

mandates and will aim to establish regular channels of communication and cooperation, for example with Africa Business Incubator Communities (BIC Africa), AFRIPi, Enrich in Africa (EiA), AfriconEU, mAKE, Euraxess, Hubiquitous, SEADE, STI for Sustainable Development Goals (SDGs) roadmaps etc.

1.2 Zone benefitting from the Action

The direct beneficiaries are African actors involved in the digital ecosystem. This includes entrepreneurs, innovation hubs, private companies, financial institutions, research institutions, government bodies and civil society organisations actors. The indirect beneficiaries of the Action are: a) populations affected by climate change and environmental impacts and looking for innovative solutions to improve their quality of life, with a special focus on vulnerable groups such as women, rural dwellers, people living in extreme poverty and minorities; and b) unemployed youths and women who will be employed through the DIHs and startups supported by the Action.

The stakeholders involved in this Action will be EU Member States, as well as pan-African Organisation established in Africa, such as Smart Africa, AfriLabs, ABAN, I4Policy and others, universities and research networks such as ARUA (African Research Universities Alliance), AAU (Association of African Universities) and the (Transformative Innovation Africa Hub (TIAH), as well as EU private sector actors like Orange and potentially NOKIA.

2 RATIONALE

2.1 Context

The African Union Commission (AUC) has placed a premium on science, technology, and innovation (STI), digitalisation and strengthening entrepreneurial ecosystems in Africa, as a means of addressing the multidimensional challenges facing the continent. The aspirations for “The Africa We Want” articulated in the **African Agenda 2063**³ outline seven core priority areas, which include achieving a prosperous Africa based on inclusive growth and sustainable development and an Africa, whose development is people-driven, relying on the potential of Africans. To deliver on these ambitions, the African Union (AU) has put in place relevant policy and regulatory frameworks and strategies and has engaged in regional and continental bilateral agreements on research and innovation. On the STI policy front, the continental **STI Strategy for Africa 2024** (STISA 2024) has been developed, supported by the Continental Education Strategy for Africa (CESA 16-25) and the Continental TVET Strategy to foster Youth Unemployment. To deliver on the digital transformation ambition the continental **Digital Transformation Strategy for Africa 2020-2030** (DTS) and the **AU Data Policy Framework** have been put in place.

These policy frameworks and initiatives by the AU are in line with the EU strategies and policies, such as the **Global Gateway** (GG), which seeks to boost smart, clean, and secure links in digital, **Digital for Development** Policy (D4D), as well as the **Digital for Development Hub** (D4D Hub) and contributes to their roll-out. These joint interests have been operationalised through various mechanisms such as the AU-EU Digital Economy Taskforce, and confirmed at recent High Level events, like the AU-EU Summit (February 2022). Against the backdrop of shared interests in harnessing the full potential of digital technologies for the digital economy, the EU and Africa also acknowledge important cross-cutting priorities: the urgent need for reinforcement of ecosystems around digital entrepreneurs, especially Digital Innovation Hubs (DIHs), as well as the crucial importance of progressive regulation and harmonisation at continental level (covered by PRIDA2 initiative). Both dimensions are prerequisite to developing human capital and digital entrepreneurship, to create jobs in this promising sector, particularly for young people and women, and digital applications for the development of economic sectors.

Relatedly, the joint and newly adopted **AU–EU Innovation Agenda**, a co-created and co-owned initiative by the AU and the EU, provides a strong foundation for cooperation between the AU and EU on research, innovation, and digital development. With the objective of strengthening African and European innovation partnerships, fostering links and dynamism among science-led breakthrough-conducive ecosystems, and harnessing research and innovation (R&I) investments to businesses, services, capacities, and jobs, the Agenda provides a long-term and

³ https://au.int/sites/default/files/documents/36204-doc-agenda2063_popular_version_en.pdf

development roadmap for AU-EU cooperation. Against this backdrop, several initiatives, research, and policy engagements are now focused on strengthening the partnerships between Africa and Europe on STI, digital (including digital single market, DSM), and support ecosystems for entrepreneurship.

In complementarity, **AEDIB|NET**, implemented in 11 SSA countries, has recorded significant progress in laying the foundations of an Africa-Europe Innovation Bridge, an important step in achieving a common Africa-Europe digital innovation market. Building on this progress, AEDIB 2.0's core lies in **linking, connecting and synergizing** digital innovation, pan-African and African-European partnerships, by improving enabling policies, and strengthening pan-African actors' capacity and ownership, while promoting entrepreneurship ecosystems across countries, and providing catalytic funding to innovative ventures. At the same time, AEDIB 2.0 intends to increase African stakeholders' exposure to European models of doing business, training, technology, and vice-versa – the **bridging** element of AEDIB 2.0.

Supporting digital entrepreneurship plays a crucial role in winning the battle against climate change and in creating the jobs that the African continent needs. By developing and implementing climate-friendly sustainable technologies, entrepreneurs can contribute to reducing emissions, improve resource efficiency, and create products that have a positive impact on the environment. Entrepreneurs have the power to transform industries, drive innovation, and create positive change. By aligning their efforts with climate action, they can contribute significantly to a more sustainable future.

These ambitions can only be achieved through win-win partnerships between Africa and the EU, forging alliances with stakeholders across the ecosystem, from governments and institutional organisations to businesses/start-ups and DIHs, as well as with investors and academia/research communities. This includes focusing on partner country ownership, inclusive partnerships and mutual accountability in line with the development effectiveness principles. The **Team Europe approach** is a crucial vehicle to deliver AEDIB 2.0, leveraging EU's and EU Member States' extensive research and knowledge base, political and cooperation power, tech know-how and expertise from European ecosystems and private sector, as well as additional funding from the EU private sector and the EFSD+.

AEDIB 2.0 will operate on a **tailor-made pan-African methodology** informed by South-South/triangular cooperation, designed to enable peer learning among countries whereby 'Country Champions' are paired with less developed ecosystems in their SSA region or in Europe, and cooperate in a co-creative and structured manner. Whenever possible, AEDIB 2.0 will leverage existing physical structures (incubators, tech centres, universities, etc.) and initiatives to connect the "doers", while providing entrepreneurs a place to meet, exchange and have access to specialized training, capabilities, and scale-up opportunities. In this respect, DIHs will be among the main beneficiaries of the programme.

2.2 Problem Analysis

Economic growth in SSA slowed to 3.6% in 2022, from 4.1% in 2021, and economic activity in the region is projected to further slow down to 3.1% in 2023. Growth is estimated to pick up to 3.7% and 3.9% in 2024 and 2025, respectively – thus signalling that the slowdown in growth should be bottoming out this year. Growth conditions, however, remain inadequate to reduce extreme poverty and boost shared prosperity in the medium to long term. The slow recovery of per capita income growth, at 1.2% in 2024 and 1.4% in 2025, still falls short of accelerating poverty reduction to the region's pre-pandemic path. The activities outlined in this Action will contribute to addressing the slow economic growth, poverty, and unemployment challenges that confronts Africa.

Climate change has a significant impact on Africa's economies, exacerbating existing challenges and creating new ones. By 2030, up to 118 million people in Africa will be exposed to droughts, floods, and extreme heat if adequate response measures are not put in place⁴. This will place additional burdens on poverty alleviation efforts and hamper growth in prosperity. Indeed, SSA's gross domestic product (GDP) could be reduced by up to three percent by 2050 due to climate change. This reduction in economic output affects livelihoods, exacerbates poverty, and limits economic growth. Despite contributing a small amount of global greenhouse gas emissions, the African continent suffers disproportionate impacts of climate change. Increased temperatures cause deadly

⁴ <https://blogs.worldbank.org/africacan/on-the-road-to-resilience-reducing-disaster-and-climate-risk-in-africa>

heat waves, varying rainfall leads to flooding in some areas and droughts in others, both of which reduce agricultural production, increase food insecurity, and cause dislocation of poverty-stricken rural populations.

Despite the challenges outlined above, Africa has become a fertile ground for tech entrepreneurs who can innovate, adapt, and collaborate to overcome challenges and drive positive change. Similarly, across the entire African continent, dynamic local innovation ecosystems, with innovation and tech-hubs at its core, are on the rise. However, despite the strong entrepreneurial mindset and the growing number of digital entrepreneurial and innovation intermediaries, Africa is yet to translate its potential into a fully vibrant or comprehensive entrepreneurial and innovation ecosystem. The key challenges to entrepreneurship and innovation revolve around lagging policies, weak or insufficiently structured and mostly uncoordinated ecosystems, insufficiently explored talent, and access to finance. Furthermore, there is a need for further collaboration between stakeholders to develop a complete ecosystem through coordinated support activities and mutually reinforcing components.

The implementation of STI and digital policy at the interface between Africa and Europe requires coordination. The AU-EU Innovation Agenda provides an opportunity to address this need, aiming for the creation of an enabling environment for innovation, digital transformation, robust development of the entrepreneurial ecosystem, with an active private sector participation. Indeed, place-based STI policies and policy harmonisation could play a critical role in strengthening Africa's ecosystems, while facilitating investments in STI to address localised sustainability challenges, adoption of research outputs, knowledge exchanges and peer learning between AU and EU, and addressing common challenges such as climate change, environmental degradation, and biodiversity loss.

In the same vein, most ecosystems in Africa face a lack of strong infrastructural capacity, for example in terms of entrepreneurial and innovation incubation and support. The gaps in capabilities and skills hinder the ability to provide good conditions for the strong development of business ventures, such as good incubators or accelerators. This calls for comprehensive training programmes and quality mentorship. In addition, start-up capital is often difficult to secure for African entrepreneurs, especially women, making difficult for them to launch or expand their businesses. Challenges in this regard include evaluating financial proposals, limited financial knowledge, and inadequate access to venture capital (VC). Moreover, returns on Venture Capital investments in the region are weak – less than 3% on average over five years compared to other regions like Asia-Pacific (around 11%) and Europe (nearly 16%), which disincentivises potential investors.

Lastly, while both Africa and Europe host a high number of innovation and tech hubs that offer programs to promote digital innovation and entrepreneurship, there are only a limited number of initiatives that facilitate transcontinental networks and partnerships, mutual learning, co-creation of solutions. Against this backdrop, provision of services to facilitate knowledge and technology transfers between start-ups, SMEs, corporates, academia, and governments across both continents are key to accelerate the achievement of the SDGs, both in AU and in EU.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is to strengthen digital transformation and the green transition in Africa through enhanced partnerships for digital entrepreneurship and innovation.

The Specifics Objectives (SO) of this action are to:

- **SO1:** Enhance digital entrepreneurship and innovation policies.
- **SO2:** Strengthen Digital Innovation Ecosystems for Digital Transformation and Green Transition.
- **SO3:** Improve access to finance for innovative (including women-led) ventures supporting Digital Transformation and Green Transition.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are:

Output 1.1: Strengthened processes and mechanisms for coordination, collaboration, and communication mechanisms for ecosystems leaders in Africa and Europe.

Output 1.2: Strengthened capacities of policy makers and ecosystem leaders to design, implement, monitor, update and evaluate digital entrepreneurship and place-based innovation policies.

Output 1.3: Enhanced research and knowledge sharing infrastructure and capacity based on open-source principles.

Output 2.1: Strengthened capacity and cooperation of DIHs/ESOs for fostering industry-academia-institutional linkages within Africa and with Europe.

Output 2.2: Enhanced support mechanisms for scaling innovative ventures in partnership with private sector partners, academia, Hubs and/or Hub networks/clusters.

Output 3.1: Enhanced support mechanisms for early-stage ventures with high growth and scalability potential contributing to green transition, especially women-led initiatives.

Output 3.2: Improved technical capacity and opportunities for financiers to cooperate with ecosystems in Africa and in Europe.

3.2 Indicative Activities

Activities related to Output 1.1

- Mapping of stakeholders leading or impacted by STI and digital entrepreneurship and related policies from the public and private sector (at continental and regional level, as well as at national level in the countries of intervention), in Africa and in Europe
- Impact assessment for creating the Ecosystem Leaders Network, ensuring buy-in and ownership by African and European stakeholders [network of individuals], identifying lead African and European entities to drive the Network.
- Mapping of needs, challenges, and opportunities of the ecosystem in terms of the regulatory environment at continental, regional and national level, in the countries of intervention.
- Creating a framework for the network at national, regional, continental, and inter-continental level
- Organising regular meetings on digital entrepreneurship and innovation topics to facilitate relationship building and collaboration amongst members and across the continents.
- Creating a platform for engaging and community building, including sharing of resources such as policy reports & case studies (linked to activities in Output 1.3)

Through the outputs above, contribute to the expansion of the community of stakeholders and initiatives contributing to the implementation of the AU-EU Innovation Agenda, also through engaging in dedicated Stakeholder events, workshops, etc.

Activities related to Output 1.2

- Designing tools and trainings for policy makers and ecosystem leaders to design, implement, monitor, update and evaluate STI and digital entrepreneurship policies through a comprehensive capacity-building programme focused on co-creation.
- Developing innovative open source/openly licensed tools and knowledge material to support policy reform and the deployment of the capacity building programme (e.g. policy experiments with demonstrators, policy incubation and acceleration, etc.)
- Developing specific support pathways (for example through demand driven technical assistance) to support public entities policy reform initiation, review, implementation, and monitoring, informed by the needs of the ecosystem and geared towards impact.
- Mapping existing capacities, available research, and flagship EU R&I instruments such as Horizon Europe or Erasmus to identify synergies between African and Europe
- Enhancing academia-industry linkages to strengthen the role of research in supporting the digital and entrepreneurial ecosystems, with particular focus on the role of DIHs.

Activities related to Output 1.3:

- Producing research (data, publications, metrics, studies, impact assessments, case studies, reports, mappings, etc.) to monitor ecosystem development based on quantitative and qualitative data, , and meet the demands arising from the 3 Specific Objectives
- Needs and gaps assessment for creating an open-source knowledge platform that pools together data on innovation, digital and entrepreneurship policy and ecosystems, providing a joint and co-creation space for knowledge generation, as well as collection and dissemination of evidence and outreach.
- Building partnerships with European and African think tanks, academia, research communities, NGOs and industry actors, to co-lead the development of resources, MOOCs, and facilitate exchanges.
- Mappings, monitoring of innovation and digital entrepreneurship trends, reporting, advocacy and awareness creation, aimed at improving collaboration among the national systems of innovation and digital actors.
- Creating an open-source platform to host the generated content and provide an interface to the community.
- Generating and producing content and tools, based on the needs of the activities across the 3 SOs, like conducting a baseline policy reform readiness assessment, developing materials on specific topics such as increasing venture capital investment, feminist innovation policy, setting up a library of policy instruments.
- Disseminating research to stakeholders, particularly through beneficiaries and partners

Activities related to Output 2.1:

- Providing capacity building and financial support through a *Pan-African Innovation Support Framework* aimed at addressing the local needs of (D)IHs at different stages of maturity, strengthening their capacity and sustainability as central actors of the ecosystem, and leveraging collaboration with industry, governments, investors, academia and local communities, as well as with peers in Africa and in Europe.
- Developing evaluation, quality assurance and monitoring frameworks, methodologies and guidelines contributing to standard setting for DIHs through a transparent and collaborative process and informed by gender goals.
- Creating an open-source toolkit for DIH development, benchmarking, and business modelling, facilitating on demand access to resources and partners
- Designing methodologies for developing and strengthening specialised innovation hub networks or clusters (intra- and inter-continental), while promoting Euro-African business and technology transfers, as well as Hubs mobility
- Contribute to the strengthening of existing pan-African networks of specialised networks of Hubs/Clusters, supporting forging partnerships with industry and academia.
- Promoting collaboration and exchanges of best practices between Hubs in Africa and in Europe

Activities related to Output 2.2:

- Setting up a *Joint Innovation Facility* for accelerating collaboration between African Hubs, Networks, Clusters (intra-African) with European partners (inter-continental) and joint implementation.
- Running Open Innovation call for proposals aimed at scaling ventures with proven business models, as well as innovative businesses with a high potential for growth and impact, demonstrating potential for sector-specific scalability.
- Fostering collaboration on sector-specific needs, supported by established private companies and academia to create potential partnerships, based on EU MS best practices and adapted to African realities.
- Promoting partnerships between the Hubs, the private sector and with research communities to facilitate the operationalization and potential commercialization of research outputs, while leveraging existing partnerships with EU and African private sector partners.
- Facilitating the tools and knowledge for Hubs to identify and promote innovative solutions that can be brought to scale, as well as improve their portfolio of services, start-ups and SMEs.

Activities related to Output 3.1:

- Promoting early-stage financing, access to mentorship, investor-readiness training and exposure to investors for selected ventures “Made in Africa”.
- Providing incubation and acceleration support, leveraging existing successful European models in Africa

- Running calls for pipeline identification in collaboration with DIHs (especially those participating in Output 2.1) and the private sector, leveraging successful mechanisms for screening, scoring and selection of entrepreneurs that will be empowered with the necessary tools.
- Providing direct financial support to ventures with high growth and scalability potential in early stages of development, leveraging existing successful financial mechanism like matching funds, and partnerships with EU and Africa private sector stakeholders.
- Fostering ideas with a regional scope, with particular focus on women-led initiatives, and to innovations addressing specifically climate change mitigation/adaptation and resilience.
- Organisation of events, dialogues, networking activities and pitching competitions, dissemination of results, leveraging public and private partnerships for high visibility

Activities related to Output 3.2:

- Developing a capacity building programme aimed at providing tailor made support, expertise and knowledge to financiers along the financing value chain, while enhancing their communication and cooperation
- Strengthening existing Africa investment communities, including links with the African diaspora, while strengthening linkages between the private sector, early-stage funders, angel investors, VC fund managers and DFIs.
- Facilitating cooperation between financiers and the wider ecosystem, including (D)IHs, academia and research communities
- Supporting early-stage funders, Angel Investors and Angel Investor Networks to strengthen their sectoral networks (attracting more investors, outreach and advocacy, providing technical and sectoral knowledge for investors, formalising their organisations, etc)
- Strengthening existing VC funds in Africa, while facilitating exchanges European and African VC funds on market access, specialization
- Facilitating network building and mobility between African and European investors and investor networks, increasing African stakeholders' exposure to European best practices
- Facilitating industry-specific workshops, trainings, exchanges of best practices and peer learning between Africa and European investors and investor networks
- Organisation of events
- Piloting innovative and alternative financing mechanisms for digital solutions, based on results from Output 1.3 (if relevant)

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from EU MS in a Team Europe approach. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

Environmental protection and climate change mitigation and adaptation play a pivotal role for this Action and are mainstreamed across its components. Special focus is placed on SO1 to ensure the deployment of research and coherence of STI policies and regulations with green priorities and the fight against climate change. Similarly, the activities in SO2 focus on promoting innovation and entrepreneurship supporting the green transition. In the same vein, SO3 will mainstream environmental protection and climate action by promoting innovative and alternative finance that supports the green transition. At this stage no EIA (Environmental Impact Assessment) screening or CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project) have been undertaken.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in Section 1.1, this Action is labelled as G1. This implies that gender mainstreaming and equality will play a prominent role across the activities of the 3 SOs. More specifically, this will be reflected in the development of evidence-based, data-driven policies and policymaking in SO1, as well as in the identification and support of DIHs with a high ratio of females in their teams, and of women

entrepreneurship in SO2. SO3 will promote access to finance for female led start-ups and ventures. Furthermore, start-ups and DIHs that address challenges faced by females in the innovation and digital entrepreneurship ecosystems will receive greater attention. Lastly, this Action will contribute to the implementation of the Gender Action Plan III in its thematic area of engagement – ‘Addressing the challenges and harnessing the opportunities offered by the green transition and the digital, aiming to provide, to the greatest extent possible, sex-disaggregated data and gender-sensitive indicators.

Human Rights

The design and implementation of the Action will be guided by the Human Rights Based Approach (HRBA) and methodology and the Universal Declaration of Human Rights (UDHR), targeting the respect, protection, and fulfilment of human rights for women and men, girls and boys, in all their diversity. More specifically, the activities outlined in the Specific Objectives of this Action, alongside the resulting outcomes and outputs will address human rights via effective handling of data protection, ethics, privacy, and inclusivity concerns. In addition, measures will be put in place to strengthen data governance, thus safeguarding human rights. Furthermore, the research, policy processes and regulatory frameworks developed, as well the planning of implementation modalities deployed in this action, will adopt a HRBA that mainstreams inclusivity, equality, and participation of all stakeholder groups.

Disability

As per OECD Disability DAC codes identified in section 1.1, this Action is labelled as D1. This implies that the action does not principally targets the inclusion of people with disability, although individuals with disability might be among the beneficiaries of this action, since they are part of targeted vulnerable and marginalised communities. Whenever possible, the Action will contribute to making visible the situation of persons living with disability by using indicators disaggregated by disability status, and by promoting the collection and use of disaggregated data for policymaking.

Reduction of inequalities

Entrepreneurship has the potential to empower women, minorities, and other marginalised groups by giving them a platform to develop businesses and achieve financial independence, yet the enabling environment in many African countries is not adapted to the digital economy. Particularly supporting early-stage businesses, which struggle to access finance, technical know-how and digital technologies, and are often led by women and youth, will have a direct impact on ensuring that increased prosperity is shared equally. The Action will target the reduction of inequalities by promoting inclusive growth that supports sustainable economic development through innovation and digital entrepreneurship, benefitting all segments of society.

Democracy

This Action includes targeted interventions with both Government and non-governmental actors, covering aspects that include research, policies, regulations, the generation of data and evidence. Data and information processing are central to the strengthening of democratic institutions and practices. Access to data, especially open data, can contribute to increased transparency and accountability, thereby strengthening institutional and governmental accountability.

Conflict sensitivity, peace and resilience

Although this action does not target conflicts and peace directly, it addresses these issues indirectly through its focus on mitigating climate change impacts, which is a core dimension of resilience. By supporting the development of technologies, innovation, digital entrepreneurship and business models that reduce climate impacts (mitigation and adaptation) and resilience, the activities of this Action will strengthen the ability of societies to improve their economic well-being, which in turn contributes to resilience, peace and reduction in conflicts.

Disaster Risk Reduction

This action prioritises climate change and will address challenges in sectors such as agriculture and food systems, energy, health, and water (non-exhaustive). Available evidence shows that climate change and biodiversity loss in Africa are exacerbating food insecurity, hunger and poverty, drought and natural disasters that increase risks of war, migration, and conflicts. Therefore, by tackling climate change and challenges in these sectors, this action

contributes to disaster risk reduction.

Other considerations if relevant

N/A

3.4 Risks and Lessons Learnt

| Category | Risks | Likelihood | Impact | Mitigating measures |
|---|---|------------|--------|--|
| Risks related to the external environment | Reduced Pipeline. Since the Action will also operate in less developed ecosystems, focusing on women-led ventures, it might be difficult to identify a pipeline of investments that comply with the criteria of the programme | Medium | High | Through the tailor-made designed Pan-African Support Mechanism, DIHs will become a strong ally in identifying and maintaining an adequate pipeline. In addition, the Incubation and Acceleration programme will provide the necessary funding and longer-term accompanying structures that will contribute to pipeline creation. For identifying strong ventures with the potential to scale up, the Joint Innovation Facility will leverage existing EU MS mechanisms and private sector partnerships, involving DIHs, to contribute to the pipeline. |
| Implementation | Replicating the EU DIH model in Africa. | Medium | High | Conduct a thorough context analysis to tailor the model to the African context, ensuring its relevance and effectiveness, as well as ownership by African stakeholders. |
| Implementation | Overlap with other EU interventions | High | High | Develop a coordination mechanism, mapping all related EU-funded interventions at national, regional, continental, and thematic level, establishing focal points in HQ and in EUDs. Develop and implement rigorous monitoring and quality control processes to ensure effective implementation, identifying synergies and avoiding overlaps if AEDIB 2.0 will be active in the same countries of intervention. Involve experienced experts from successful relevant initiatives. |
| External environment | Changing political priorities might lead to the de-prioritisation of the Action's objectives | Medium | High | The Action will seek to secure a trusting relationship with public sector counterparts, allowing for timely pivoting of intervention modalities or strategies whenever necessary. The Action will implement regular reviews and develop contingency plans to adapt the programme and respond to political, governance, regulatory and institutional changes. |

| | | | | |
|--------------------------------|--|--------|------|---|
| Planning processes, governance | Inadequate project planning and execution processes, including confusion regarding project beneficiaries and their roles. | High | High | Develop a solid governance framework that ensures implementing partners work together, and in complementarity as a team, at the same time developing effective tracking, monitoring and evaluation mechanisms. Organise Working Groups for the implementation of the 3 SOs, ensuring that implementing partners are informed by the development and results across the 3 SOs (for example by creating Task Forces). |
| People and organisation | Absence of African partners from planning and decision-making processes | Medium | High | Continue in the approach of co-creating and involving African stakeholders from the onset. Where possible and justified, include African partners in the (direct) implementation of activities, and foster their ownership of the processes and results. |
| People and organisation | Inadequate capacity and capabilities | Medium | High | Ensure the recruitment and selection of individuals/experts, institutions and delivery partners is done according to the required capabilities and skills in a consultative manner. If necessary, provide capacity-building and training to strengthen the capabilities of project teams and address skill gaps if/when they arise. |
| Implementation | Unpredictable nature of innovation | Medium | High | Adopt a flexible approach and develop agile processes, that allow to pivot quickly or to incorporate new learnings 'on-the-go'. |

Lessons Learnt from AEDIB NET, other Horizon 2020 ICT-58 projects and EU-funded initiatives with similar mandates:

- The linkages between academia and industry are mostly weak, however the potential for cooperation is very high, especially supported by robust and well-functioning DIHs.
- There is a need for building a common understanding about the role and functions of DIHs in ecosystems in Africa, as well as to contribute to common standards of quality and performance. Equally, there is a need for more research on this topic, as well as on digital entrepreneurship ecosystems in general, which are constantly evolving.
- Most Hubs have weak business models, the majority relying heavily on the donor community to survive. While it is common for DIHs to use grants to finance their operations, this practice is not sustainable in the African context, as donors might shift their strategies, interests, and focus.
- There are big gaps in capabilities and skills at multiple levels in the ecosystem, from DIHs, to digital entrepreneurs, policymakers and decision-makers, regulators, and academia.
- There is a high degree of fragmentation and poor coordination among DIHs and digital entrepreneurship ecosystem stakeholders, which results in missed cooperation opportunities and unnecessary competition for resources.
- There is an increased trend towards specialisation in building of cross-border and pan-African Hub and investors networks, which mirrors developments in Europe, constituting a high potential for intercontinental

cooperation.

- There is an appetite to cooperate with European ecosystems and exchange best practices, but these knowledge and technology transfers must be adapted to local contexts and benefit African counterparts equally. At the same time, African Hubs or entrepreneurs might not be in the position to connect with their European peers from the beginning, thus requiring capacity building and funding to ensure a level playing field.
- There is a high potential for scaling up and building on results previously achieved by EU Member States with their own regional or bilateral programmes, as well as identifying synergies with several EU-funded initiatives that have complementary objectives, to benefit from each other's achievements.
- Gender must be a central consideration, as women are often more impacted by low access to technology, finance, and skills. It is imperative to implement rigorous monitoring during the implementation of the programme, with clear benchmarks and indicators that allow for effective reporting.

3.5 The Intervention Logic

Overall Objective (Impact)

The Overall Objective of this action is to strengthen digital transformation and green transition through an enhanced partnership for digital entrepreneurship and innovation between the Africa and Europe.

The Africa-Europe Digital Innovation Bridge (AEDIB) 2.0 addresses critical challenges including the lagging science, technology, and innovation (STI) policies (as reflected in SO1), the different levels of maturity of entrepreneurship ecosystems in Africa, the sluggish coordination and cooperation between stakeholders, the duplication of efforts and mismatch of supply and demand in the ecosystems (as reflected in SO2), as well as the lack of adequate early-stage, innovative, and alternative finance mechanisms and appropriate technical support that are crucial for digital transformation and sustainable development (as reflected in SO3).

The challenges are multiple and complex. In Africa, a mismatch between the development of **STI and digital entrepreneurship policies** and the rapidly evolving digital ecosystem creates significant barriers to innovation. Universities and research institutions are not sufficiently aligned with industry needs, leading to a scarcity of research-driven innovations. On the **ecosystems** front, Entrepreneurship Support Organizations (ESOs) in Africa are operating in an environment characterized by unstable economic models, which impedes their effectiveness. High operational costs, inadequate business development services, and a lack of digital and entrepreneurial skills hinder ESOs' ability to a) nurture startups/MSMEs, and b) to support entrepreneurs and startups' growth, scale or connect to potential EU partners. With respect to **finance**, the African ecosystem is inadequately equipped for fostering innovation, with a narrow pipeline for investments and an unsupportive regulatory environment for financing innovation. Startups often lack investment readiness, and there is a scarcity of alternative financing sources due to the dominance of traditional banking. This results in a fragile ecosystem with limited understanding among stakeholders, constraining the growth of innovative financing models like crowdfunding, and venture capital, which are vital for early-stage startups development and for scaling up of already successful models.

On the backdrop of these challenges, **the theory of change of AEDIB 2.0** is grounded in the belief that by enhancing policies, strengthening ecosystems, and improving access to finance for early-stage ventures and scale-ups, new or strengthened partnerships between Europe and Africa will emerge, which will make a transformative contribution to sustainable digital transformation and green transition for the mutual benefit of both continents. This change is expected to stem from collaborative actions and cross-sectoral exchanges, policy enhancements and sustained political commitments, ecosystems bridging, and financial support, as well as the participation diverse range of entrepreneurs, with a particular focus on women and marginalized groups.

Consequently, it is expected that:

- i) IF STI and digital entrepreneurship policies are enhanced, thus improving policy and regulatory landscapes, while research and knowledge sharing infrastructure and capacity are strengthened, based on open-source principles (SO1); and
- ii) IF innovation ecosystems are effectively strengthened and interconnected, fostering collaboration and knowledge exchange within Africa and between Africa and Europe (SO2), and
- iii) IF early-stage, innovative, and alternative financing mechanisms are strengthened to offer opportunities to startups, while technical capacity and opportunities for cooperation for financiers are increased (SO3),

THEN transformative change that is conducive to digital and green transitions can be achieved in Africa and Europe. The assumption underpinning this intervention logic is that a coordinated approach, which simultaneously addresses policy, ecosystem, and financial challenges, is essential for achieving sustainable digital transformation and green transition. This assumes the willingness and capability of stakeholders (EU Member States, public authorities, pan-African organisations, academia, as well as the private sector) on both continents to collaborate effectively and adapt to the challenges of a constantly evolving digital landscape.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action. The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

| Results | Results chain (@): Main expected results (maximum 10) | Indicators (@): (at least one indicator per expected result) | Baselines (values and years) | Targets (values and years) | Sources of data | Assumptions |
|---------------|--|---|---|--|---|-----------------------|
| Impact | To strengthen digital transformation and green transition through an enhanced partnership for digital entrepreneurship and innovation between the Africa and Europe. | 3. Number of countries supported by the EU that (a) developed and/or revised; (b) implemented policies/strategies/laws/regulations that created an enabling environment for digital entrepreneurship and innovation 2. Number of scale-up ventures and DIHs/ESOs supported 3. Volume (\$/EUR) of capital dedicated to supporting early-stage ventures | 1 TBD by end 2024 at the latest 2 TBD by end 2024 at the latest 3 TBD by end 2024 at the latest | 1. TBD by end 2024 at the latest 2. TBD by end 2024 at the latest 3. TBD by end 2024 at the latest | 1. Baseline and endline surveys commissioned by EU-funded intervention 2. Baseline and endline surveys commissioned by EU-funded intervention 3. Official surveys TBC by end 2024 | <i>Not applicable</i> |

| | | | | | | |
|---------------------------------------|---|--|-------------------|-------------------------------------|---|--|
| Outcome 1 | Enhance digital entrepreneurship and innovation policies | 1.1 Number of ecosystem leaders (policymakers, government officials, leaders in industry and research community), disaggregated by sex, who are able to apply policy co-creation tools developed with the support of this EU intervention. | 1.1 Baseline: 0 | 1.1 TBD by end 2024 at the latest | 1.1 Ecosystems mapping exercise and study | 1.1 Peer-learning among ecosystems leaders is vital to evidence-based STI policymaking that fosters digital entrepreneurship |
| | | 1.2 Number of SSA countries supported by the EU to formulate and/or revise digital-related policies (or strategies/ laws/ regulations) (GERF 2.10a)** | 1.2 TBD Dec 2024 | 1.2 TBD by end 2024 at the latest | 1.2 Project reports | 1.2 EU support can help SSA countries improve policy formulation |
| | | 1.3 Number of countries supported by the EU to implement STI or digital-related policies / strategies / laws / regulations (GERF 2.10b)** | 1.3 TBD Dec 2024 | 1.3 TBD by end 2024 at the latest | 1.3 Project reports | 1.3 STI policy implementation is weak in SSA |
| Output 1 relating to Outcome 1 | 1.1. Strengthened processes and mechanisms for coordination, collaboration and communication for ecosystems leaders in Africa and Europe. | 1.1.1 Number of peer-learning exchanges/channels established | 1.1.1 Baseline: 0 | 1.1.1 TBD by end 2024 at the latest | 1.1.1 Project documents | 1.1.1 Learning among peers is an effective capacity building mechanism |
| | | 1.1.2 Number of ecosystem leaders, disaggregated by sex, confirming that coordination mechanisms supported by this EU-funded intervention on digital entrepreneurship and innovation improved exchanges on policies within Africa and with Europe. | 1.1.2 Baseline: 0 | 1.1.2 TBD by end 2024 at the latest | 1.1.2 Project documents | 1.1.2 Interactive learning and effective collaborations are good indicators of a thriving innovation ecosystem |

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|---------------------------------------|---|--|-------------------|-------------------------------------|--|--|
| Output 2 relating to Outcome 1 | 1.2. Strengthened capacities of policy makers and ecosystem leaders to design, implement, monitor, update and evaluate digital entrepreneurship and innovation policies | 1.2.1 Number of policies revised with support of this EU-funded intervention | 1.2.1 Baseline: 0 | 1.2.1 TBD by end 2024 at the latest | 1.2.1 Project documents | 1.2.1 Up-to-date policies are more effective in driving implementation and realising transformative change |
| | | 1.2.2 Number of institutions/organisations supported in policy design, revision, implementation, monitoring and evaluation using co-creation approaches and tools | 1.2.2 Baseline: 0 | 1.2.2 TBD by end 2024 at the latest | 1.2.2 Project documents | 1.2.2 Well capacitated institutions are essential for formulating and implementing policies and regulations |
| | | 1.2.3 Number of policymakers and ecosystem leaders trained with support of the EU-funded intervention with increased knowledge and/or skills on design, implementation, monitoring, updating and evaluating digital entrepreneurship and innovation policies, disaggregated by sex and country | 1.2.3 Baseline: 0 | 1.2.3 TBD by end 2024 at the latest | 1.2.3 Policy documents and project reports | 1.2.3 An optimum number of capacities built is essential to achieving critical mass and informs the processes that underpin transformation |
| | | 1.2.4 Number of academia-industry linkages and collaborations initiated with support of the EU-funded intervention | 1.2.4 Baseline: 0 | 1.2.4 TBD by end 2024 at the latest | 1.2.4 Institutional records and collaboration agreements | 1.2.4 Addressing the low levels of academia-industry linkages and collaborations will foster innovation and digital entrepreneurship |

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|---------------------------------------|--|--|-------------------|-------------------------------------|--|--|
| Output 3 relating to Outcome 1 | 1.3. Enhanced research and knowledge sharing infrastructure and capacity based on open-source principles | 1.3.1 Number of collaborations between research and industry actors in the resource lab with support of this EU-funded intervention | 1.3.1 Baseline: 0 | 1.3.1 TBD by end 2024 at the latest | 1.3.1 Project records | 1.3.1 Increased collaborations with and among R&R Labs is vital to interactive learning, innovation and impacts |
| | | 1.3.2 Number of digital and STI evidence, tools and resources produced with support of the EU-funded intervention | 1.3.2 Baseline: 0 | 1.3.2 TBD by end 2024 at the latest | 1.3.2 Resource lab, project reports | 1.3.2 The production, availability and access to robust research, evidence, tools and resources provides an important base for evidence-based policymaking |
| | | 1.3.3 Number of research, industry and policy actors involved in the programme that has adopted open data and open access approach with the support of this EU-funded intervention | 1.3.3 Baseline: 0 | 1.3.3 TBD by end 2024 at the latest | 1.3.3 Institutional records and primary data sources (e.g. interviews) | 1.3.3 Slow progress towards open data and open access remains a major barrier to R&I |
| Outcome 2: | Strengthen Digital Innovation Ecosystems for Digital Transformation and Green Transition | 2.1. Number of Hubs that adopted and applied Open-Source Quality Assurance Mechanisms/practices/tools developed with support of this EU-funded intervention. | 2.1 Baseline: 0 | 2.1 TBD by end 2024 at the latest | 2.1 Program documentation and records of mechanism development | 2.1 The mechanisms will be developed as part of the program's objectives and the hubs will be interested in adopting them |
| | | 2.2 Number of Regional and Cross-Border Innovation Partnerships Established | 2.2 Baseline: 0 | 2.2 TBD by end 2024 at the latest | 2.2 Program documentation and partnership record | 2.2 Partnerships and interactive learning are vital for innovation. |

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|---------------------------------------|---|--|-------------------|-------------------------------------|---|--|
| | | 2.3 Number of high growth ventures (businesses, DIHs and start-ups) supported through Open Innovation Calls, with emphasis on ventures that focus on climate change (green transition) | 2.3 Baseline: 0 | 2.3 TBD by end 2024 at the latest | 2.3 Program records and venture participation data | 2.3 High growth ventures demonstrate potentials for development (e.g. job creation). |
| | | 2.4 Number of collaborations between Industry (Private Sector) and Academia enabled by this intervention | 2.4 Baseline: 0 | 2.4 TBD by end 2024 at the latest | 2.4 Program records and collaboration agreements | 2.4 Collaborations between industry and academia is an important way of strengthening the ecosystem. |
| | | 2.5 Number of Research-Based Innovations Commercialised with the support of this EU-funded intervention with the support of this EU-funded intervention | 2.5 Baseline: 0 | 2.5 TBD by end 2024 at the latest | 2.5 Program records and commercialization reports | 2.5 Collaboration between academia and the private sector will facilitate commercialization |
| Output 1 relating to Outcome 2 | 2.1. Strengthened capacity and cooperation of DIHs/ESOs for fostering industry-academia-institutional linkages within Africa and with Europe. | 2.1.1 Number of DIHs/Clusters strengthened in their capacity to apply Open-Source Quality Assurance Mechanisms (OQAM) tools/ approaches/ practices developed with support of the EU-funded intervention | 2.1.1 Baseline: 0 | 2.1.1 TBD by end 2024 at the latest | 2.1.1 Program documentation and records of participation in capacity building exercises | 2.1.1 Improved capacity in OQAM will strengthen DIHs and the ecosystem, and foster bridging with EU partners |
| | | 2.1.2 Number of DIHs/ESOs and start-ups that applied green transition approaches/ initiatives in participating countries, with support of this EU-funded intervention | 2.1.2 Baseline: 0 | 2.1.2 TBD by end 2024 at the latest | 2.1.2 Contracts and agreements, pre-and post-program assessments, MoUs, program reports and evaluations | 2.12 Active focus and involvement in green transition is core to achieving the SDGs |

| | | | | | | |
|---------------------------------------|---|---|----------------------------------|-------------------------------------|---|---|
| | | 2.1.3 Number of DIHs/ESOs and Start-ups participated in cross-border innovation and digital partnerships in participating countries | 2.1.3 Baseline: 0 | 2.1.3 TBD by end 2024 at the latest | 2.1.3 Program documentation and partnership record | 2.1.3 Involvement in cross-border innovation partnerships is beneficial to DIHs and start-ups |
| Output 2 relating to Outcome 2 | Output 2.2: Enhanced support mechanisms for scaling innovative ventures in partnership with private sector partners, academia, Hubs and/or Hub networks/clusters. | 2.2.1 Number of tools for innovative solutions developed for hubs/businesses with support of the EU-funded intervention | 2.2.1 Baseline: 0 | 2.2.1 TBD by end 2024 at the latest | 2.2.1 Program records and venture participation data | 2.2.1 DIHs and start-ups need of innovative tools to enhance their capabilities and growth |
| | | 2.2.2 Number of DIHs, start-ups and networks that applied innovative tools and solutions developed with support of the EU-funded intervention | 2.2.2 Baseline: 0 | 2.2.2 TBD by end 2024 at the latest | 2.2.2 Program records and collaboration agreements | 2.2.2 There is weak development and adoption of innovation and innovative tools by DIHs |
| | | 2.2.3 Number of B2B collaborations (hubs and start-ups) with support of the EU-funded intervention | 2.2.3 Baseline: 0 | 2.2.3 TBD by end 2024 at the latest | 2.2.3 Program records and commercialization reports | 2.2.3 Collaboration between/among DIHs and the start-ups will strengthen the ecosystem and facilitate commercialization |
| Outcome 3: | Improve access to finance for innovative (including women-led) ventures supporting Digital Transformation and Green Transition. | 3.1 Number of start-ups of which women-led, securing investments | 3.1 Baseline: 0 | 3.1 TBD by end 2024 at the latest | 3.1 Project and annual reports that capture startups and investments received | 3.1 Startups are seeking financial resources. |
| | | 3.2 Amount invested by Angel Investors (in Euros) in African businesses, of which women-led, measured each year compared to the previous year | 3.2 Baseline: TBD by end of 2024 | 3.2 TBD by end 2024 at the latest | Official Angel Investors/ Network reports | 3.2 There is a genuine interest from Angels to invest in startups. |

| | | | | | | |
|---------------------------------------|--|--|-------------------|-------------------------------------|---|---|
| | | 3.3 Number of Angel Investors and VCs supporting DIHs and start-ups, of which women-led, as a result of this intervention | 3.3 Baseline: 0 | 3.3 TBD by end 2024 at the latest | 3.3 Project reports | 3.3 Financial institutions see value in partnering with startups. |
| | | 3.4 Number of countries supported by the EU to strengthen their investment climates (GERF 2.16)** | 3.4 Baseline: 0 | 3.4 TBD by end 2024 at the latest | 3.4 Project and national reports | 3.4 EU's support for SSA countries is vital to strengthening the digital partnerships between AU and EU |
| | | 3.5 Number of digital start-up enterprises led by women who benefit from financial support and/or training GERF 2.17 | 3.5 Baseline: 0 | 3.5 TBD by end 2024 at the latest | 3.5 Project reports and reports by actors such as GSMA and Briter Bridges | 3.5 Female-led digital startups are fewer and receive less financial support |
| | | 3.6 Number of beneficiaries with access to financial services with EU support: (a) firms, of which women-led, [SP][EFSD]†** | 3.6 Baseline: 0 | 3.6 TBD by end 2024 at the latest | 3.6 Project, national, AU and EU reports | 3.6 Access to financial services in SSA can be enhanced by the EU support. |
| Output 1 relating to Outcome 3 | 3.1. Enhanced support mechanisms for early-stage ventures with high growth and scalability potential contributing to green transition, especially women-led initiatives. | 3.1.1 Number of DIHs that contribute to green transition with support of the EU-funded intervention | 3.1.1 Baseline: 0 | 3.1.1 TBD by end 2024 at the latest | 3.1.1 Programme report | 3.1.1 DIHs understand the importance of achieving the SDGs and are keen to contribute to green transition |
| | | 3.1.2 Number of start-ups, of which those owned/led by women, that contribute to green transition with support of the EU-funded intervention | 3.1.2 Baseline: 0 | 3.1.2 TBD by end 2024 at the latest | 3.1.2 Programme report | 3.1.2 Emerging trends in the start-up ecosystem is towards the green transition |

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|---------------------------------------|---|--|-------------------|-------------------------------------|---|--|
| | | 3.1.3 Number of start-ups, of which those owned/led by women, exposed to investment opportunities in green transition with support of the EU-funded intervention | 3.1.3 Baseline: 0 | 3.1.3 TBD by end 2024 at the latest | 3.1.3 Programme report and national funding records | 3.1.3 Start-ups are seeking investments in SDGs and green transition themes |
| Output 2 relating to Outcome 3 | 3.2: Improved technical capacity and opportunities for financiers to cooperate with ecosystems in Africa and in Europe. | 3.2.1 Number of financiers trained by the EU-funded intervention with increased knowledge and/or skills on investing in funds management for DIHs and start-ups, disaggregated by sex and country | 3.2.1 Baseline: 0 | 3.2.1 TBD by end 2024 at the latest | 3.2.1 Programme and capacity building reports | 3.2.1 Improved knowledge and skills of financiers, and investors is beneficial to the ecosystem |
| | | 3.2.2 Number of financiers trained by the EU-funded intervention with increased knowledge and/or skills on investing in the green transition, disaggregated by sex and country | 3.2.2 Baseline: 0 | 3.2.2 TBD by end 2024 at the latest | 3.2.2 Programme and capacity building reports | 3.2.2 Improved knowledge and skills of financiers, and investors is beneficial to the ecosystem |
| | | 3.2.3. Number of academics trained by the EU-funded intervention with increased knowledge and/or skills on how to support the finance community with the relevant cutting-edge research financing the green transition, disaggregated by sex and country | 3.2.3 Baseline: 0 | 3.2.3 TBD by end 2024 at the latest | 3.2.3 Programme and capacity building reports | 3.2.3 Academics understand the value of strengthening their skills to better support finance and the green transition |
| | | 3.2.4. Number of policymakers trained by the EU-funded intervention with increased knowledge and/or skills on how to formulate and implement STI, finance (and other relevant) policies and regulations to foster the availability of finance for the green transition, disaggregated by sex and country | 3.2.4 Baseline: 0 | 3.2.4 TBD by end 2024 at the latest | 3.2.4 Programme and capacity building reports | 3.2.4 Policymakers understand the value of strengthening their skills to better support finance and the green transition |

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner territories.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 66 months from the date of the adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer in duly justified cases

4.3 Implementation of the Budget Support Component

Not applicable

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁵.

4.4.1 Direct Management (Grants)

Grants: (direct management)

(a) Purpose of the grant(s)

The grant would contribute to activities across the 3 SOs, particularly in Outputs 1.1 (*Strengthened processes and mechanisms for coordination, collaboration and communication mechanisms for ecosystems leaders in Africa and Europe*), 1.2 (*Strengthened capacities of policy makers and ecosystem leaders to design, implement, monitor, update and evaluate digital entrepreneurship and innovation policies*), 1.3 (*Enhanced research and knowledge sharing infrastructure and capacity based on open-source principles*), 2.1 (*Strengthened capacity and cooperation of DIHs/ESOs for fostering industry-academia-institutional linkages within Africa and with Europe.*) and

3.1 (*Enhanced support mechanisms for early-stage ventures with high growth and scalability potential contributing to green transition, especially women-led initiatives*).

(b) Type of applicants targeted

The type of entities targeted are pan-African Organisations (not-for-profit/ NGOs/ multilateral organisation) based in Africa.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to a pan-African Organisation(s) as described above, selected using the following criteria i) have a mandate to accelerate sustainable socio-economic development through ICT on the continent, or ii) possess a high convening power of public governmental and private sector actors relevant to the programme, or iii) have the mission to develop private sector/entrepreneurship.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a

⁵ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

grant without a call for proposals is justified because the beneficiary(ies) can perform activities with specific characteristics that require a particular type of body on account of its technical competences (high degree of specialization), according to article 195(f) of the Financial regulation, which include i. having a mandate from national African governments to accelerate sustainable socio-economic development through ICT, contributing to the pan-African character of the action and the cross-border nature of generated European and African digital cooperation, ii. developing private sector/entrepreneurship which is cross-cutting to the action and fundamental to achieving all 3 Specific Objectives, and iii. possessing a high convening power of public governmental and private sector actors relevant to the programme.

The part of the action under the budgetary envelope reserved for grants may, partially or totally and including where an entity is designated for receiving a grant without a call for proposals, be implemented in indirect management with an entity, which will be selected by the Commission's services using the criteria defined in section 4.4.2 below.

4.4.2 Indirect Management with an entrusted entity

A part of this action may be implemented in indirect management with an entrusted entity/entities. The implementing entities will be selected by the Commission's services using the following criteria: (i) good geographic coverage in targeted countries; and/or ii) significant experience in identifying, and/or scaling up breakthrough technologies and innovations; and/or (iii) ability to mobilise experts on digital innovation, in particular European expertise, as well as private sector partnerships with European and/or African companies.

This implementation entails contributions to all 3 Specific Objectives of the Action as described in section 3.1., whereas for Outputs mentioned in 4.4.1. cooperation and collaboration with the entity identified is needed and is paramount for the overall success of the action.

4.4.3 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If the preferred modality (indirect management with an entrusted entity) described in 4.4.2. cannot be implemented due to circumstances outside of the Commission's control, the Commission will revert to direct management through grants.

Similarly, if negotiations with the entity (ies) foreseen for the implementation of the grant mentioned in section 4.4.1 fail, the Commission will revert to indirect management with an entrusted entity. The implementing entity(ies) will be selected by the Commission's services using the criteria defined in section 4.4.2. above.

4.4.4 OTHER ACTIONS OR EXPENDITURE

Part of this action may be implemented through a Service Level Agreement with an EU Agency or a European body, or a combination of these modes, in order to mobilise its expertise in the achievement of all 3 Specific Objectives.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative Budget

| Indicative Budget components | EU contribution |
|------------------------------|-----------------|
|------------------------------|-----------------|

| | (amount in EUR) |
|---|------------------------------------|
| Implementation modalities – cf. section 4.3.2 | |
| Specific Objective 1 | 8 000 000 |
| Direct Management (Grant) – cf section 4.4.1 | 1 500 000 |
| Indirect Management with entrusted entity (ies) – cf section 4.4.2 | 6 500 000 |
| Specific Objective 2 | 13 500 000 |
| Direct Management (Grant) – cf section 4.4.1 | 500 000 |
| Indirect Management with entrusted entity (ies) – cf section 4.4.2 | 13 000 000 |
| Specific Objective 3 | 13 500 000 |
| Direct Management (Grant) – cf section 4.4.1 | 500 000 |
| Indirect Management with entrusted entity (ies) – cf section 4.4.2 | 13 000 000 |
| Grants – total envelope under Section 4.4.1 | 2 500 000 |
| Evaluation - cf. section 5.3 Audit - cf. section 5.3 | may be covered by another Decision |
| Contingencies | N.A. |
| Totals | 35 000 000 |

4.7 Organisational Set-up and Responsibilities

The Action will be implemented based on a tailor-made organisational structure, which will be defined by the Commission in cooperation with the implementing entities, and in consultation with EU Delegations. In addition, the daily management of the Action will be closely followed by Commission services and/or concerned EU Delegations, with regular meetings to be organised with the Implementing Partners in order to ensure a smooth and responsive management of the project. Active and meaningful participation of (African and European) stakeholders will be ensured through dedicated accountability mechanisms.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. To address inequality-reduction in monitoring concerns, the monitoring system should be designed in a participatory manner and seek to include stakeholders in its design, application and use. The monitoring system should include both quantitative and qualitative indicators to facilitate participation and understanding by all stakeholders. Further, the indicators to be used should reflect the contextual drivers of inequality and provide information on changes in these drivers.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring: where appropriate, the Implementing Partners will be responsible for monitoring and reporting on indicators of the Logic Framework matrix, including the collection of baselines and data collection in the inception phase of the Action by the end of 2024. Indicator values will be measured at regional or country level, depending on the nature of the activities. Indicators shall be disaggregated at least by sex. All monitoring and reporting shall assess how the Action is taking into account the principles of the human rights-based approach, gender equality and rights of persons with disabilities.

Where appropriate, the Implementing Partners will leverage external surveys and available data for the agreed countries of intervention, as well as data obtained through their own programmes and projects, or may finance the collection of data through financial resources outside of this action. Alternatively, the collection of data may be in some cases financed through a European Commission Support Measure or other sources currently available.

All monitoring and reporting shall assess how the Action is considering the principle of gender equality, human rights-based approach, and rights of persons with disabilities including inclusion and diversity indicators shall be disaggregated at least by sex. The Action will monitor and report on the gender equality results achieved by the project in the evaluation phase.

Finally, this action will contribute to the regional TEI D4D for Digital Economy and Society in SSA and will report to the structures already in place.

5.2 Evaluation

Having regard to the importance and nature of the action, a mid-term and final evaluation(s) may be carried out for this action or its components via independent consultants, through a joint mission, contracted by the Commission, via an implementing partner, or through a mix of the above.

A mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to the effectiveness of activities implemented at national and regional level, approaches and implementation modalities, as well as synergies and complementarities with related EU-funded programmes, actions, initiatives or activities.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the Action targets diverse stakeholders across national and cross-border ecosystems and in different partner countries in Africa.

Since this action contributes to a regional TEI, evaluations jointly with contributing Member States and EDFIs should be considered an option to provide an overview of the action within the larger impact of the TEI.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as:

| Contract level | | |
|--------------------------|-------------------|--|
| <input type="checkbox"/> | Single Contract 1 | Grant |
| <input type="checkbox"/> | Single Contract 2 | Indirect management with an entrusted entity (ies) |