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Name of the mission

**1st African Union Start Up Fest
6 to 10 December 2017
Cairo, Egypt**

Report

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Executive Summary

A symposium was organized by the Department of Trade and Industry of the African Union Commission with the view to provide an avenue for the exchange of ideas and experiences related to the problematic of Youth Entrepreneurship and the way Public and Private Partners could address the challenges faced.

Many young Africa entrepreneurs work in isolation, with little access to good facilities. They often don't have enough information, technical or business experience and lack access to good mentors, the market, clients, investors and role models.

The Event had three-facet objectives, namely (i) build the capacity of Start-ups and Tech-Hubs, (ii) provide a platform for policy makers and private sector to interact on the technical aspects of Start-ups Development, (iii) lay the foundations for the creation of the African Association of Start-ups, and (iv) provide the political impetus for supporting Start-ups Development in Africa.

The Meeting which took place in Cairo, Egypt from 6 to 10 December 2017 was attended by Tech-Hubs Senior Managers, Youth Entrepreneurs, Senior Officials, RECs, Business Leaders, Development Partners Institutions, Academia, and Civil Society.

The meeting recommended, among others, that EAN will be designed to enable SME growth at national, regional, continental and international levels and should focus on regional value chains or sectors with specific focus on increase in the market share for SME's via business transactions. In addition, the meeting pointed out business development services for SME's with the view to upgrade the performance and the competitiveness of their products and services.

It was clearly highlighted that EAN should avoid duplications and look for synergies and complementarities with other SMEs platforms active in Africa.

The participants agreed that EAN should mainstream the inclusion of women and youth as a priority.

The cross-cutting sectors Agro-industries, ICT, and Tourism were recommended as the priority for EAN. Additional sectors suggested were transportation, banking, and financial services, health (medicinal plants) as well as consultancy and advisory services.

It was strongly recommended to "Keep It Simple and Scale" in order to avoid any risk of failure.

Following the discussion and deliberation on the EAN initiative the Expert Working Group proposed to undertake the mapping of the existing networking platforms in Africa supporting the private sector on trade information, business transaction and business development and to focus the platform, in a priority phase, on women and youth entrepreneurs/talents

who develop innovative products and services with growth potential. Then extend the networking platform to other private sector organizations.

The next recommended steps are to recruit the expertise to undertake the mapping of existing networking platforms in Africa, to update the TOR of the TL and the IT expert and to recruit them for implementing the feasibility study of EAN.

1. Background

Unemployment in Africa is a challenge that particularly affects young people: 61% of unemployed people in Kenya are aged 18-35¹ Access to work and jobs is an essential part of the transition from youth to independent adulthood. Work stimulates and develops, a person to active role in society, encourages personal development, influences one's personal financial situation and determines social status. On the other hand, unemployed youth in Africa are more vulnerable to drugs, alcohol, unsafe sex, criminal activity and terrorism.

Youth unemployment remains a major political and socioeconomic challenge in Africa despite the recent strong growth performance of many African countries. The study undertakes an empirical assessment of the main sources of youth unemployment in Africa. Based on panel data of 41 African countries covering the period 2000–2010, the study finds a demographic youth bulge and poor economic growth from both supply and demand sides of the market to be key drivers of youth unemployment in Africa. Employment-to-population ratio as a measure of country's job creation ability and vulnerable employment as a proxy for informality are observed to have had a decreasing effect on youth unemployment. The empirical findings also suggest higher youth employment rates among females than males and a higher concentration in urban than rural areas. Investment in the high labour absorption sectors of agriculture and manufacturing is advocated as job creation strategies, along with population control measures to slow the growing youth population in Africa. High growth in the low employment sectors of mining and extractive industries could serve as resource generating avenues to promote investment in education and skill training, along with infrastructure to facilitate growth in high labour absorption sectors.²

Problem Analysis

Unemployment its at highest amongst young people

The level of unemployment in Africa is at its highest amongst young people – almost twice as high as amongst adults. 80% of the 2.3 million people are unemployed in Eastern Africa are aged 15-34. The biggest group of unemployed youth is aged 18-25³

Hidden unemployment in the informal sector

Young people who have a job often receive a low salary this is influenced by lack of right skills set and experience. Kenyan youth represents the highest at 40% among Eastern Africa countries of total income distribution. This creates a clear picture of unemployment agony among most young people in Kenya and Africa as whole, as they have to content with lack of jobs in spite of graduating from universities. In Africa there is a clear division between formal and informal work. Formal work means paid employment

From Rockefeller Foundation report on employment in Africa 2014

for private businesses, the public sector, non-governmental organizations and international organizations. However, less than 20% of African youth have a formal job. Informal work means paid or unpaid family members or employees who work for themselves or an un-

¹ Youth Fund Kenya – 2015

² Africa youth Charter (AUC)

³ Africa youth Report 2014 by Harry I. Kaane

specified individual. Formal jobs are more stable and sustainable and offer social security (payment while sick, healthcare payment, formal contracts, higher wages and employee benefits).

The number of unemployed youth in the urban areas have sky rocked in the last 5 years, and the same scenario replicate itself in rural areas too. Many young people are being forced by difficult situations to work in informal sector and in households, as there is no work available in the formal sector. Business incubation have changed the landscape and made it easy for any person to start a business as one does not require exorbitant amount to start it, though the initial capital required to start a small businesses is prohibiting and most youth people are not in a position to raise the funds.

Women get less opportunities

It's harder for young African women to find work than their male counterparts. In Africa 20% of young men aged 15- 24 drop out of school and are unemployed, and the percentage amongst women in this group doubles up to 40%⁴. Early marriage in many parts of Africa reduces the opportunities for young women to take part in economic activities, because they are often responsible for domestic work and childcare. On average women marry earlier than men. As a result, they are more likely to seek flexible work that is often found in the informal sector. Women in this sector earn less, have less security and are less protected, all of which makes them more vulnerable to fall into poverty (OECD, 2012). Research by UNICEF (2015) shows that children of poorly educated mothers with bad jobs have a higher chance of falling into the same cycle.

Unemployment amongst women is higher as there's less work available for young women. Despite the fact that young women do more domestic work than men, the total amount of women with work is lower than men. The amount of women that work at home is 6% of 15 year olds, which raises to 14% as they get older. An extra challenge facing young African women looking to enter the job market is that they are also less able to go full-time to school than men when they are young. There are comparison of both men and women fairing in job markets and various causes for the high rate of youth unemployment

⁴ (OECD, 2012).

2. Expert Group Meeting sessions: Debate and Results

2.1 Regional Economic Communities and Africa private sector presentations

The meeting brought together 25 high-level representatives from the private sector (Chambers of Commerce, professional associations, enterprises, private foundations, services providers), representatives of the African Union Commission, the Economic Commission for Africa (ECA), the United Nations Agency for Population Development (UNDP), International Labour Organization (ILO), the Egyptian Agency for Small and Medium Enterprises, and young African entrepreneurs.

The meeting was organized around seven sessions, which included presentations by various speakers and rigorous debates and deliberations over three days. The third day was dedicated to consolidate the workshop outcomes and recommendations.

The workshop was opened Mr. Mohamed Farid, Director of Entrepreneurship at the Egyptian Agency for Micro and Medium Enterprises, Marc Lepage, Knowledge & Innovation advisor, Regional Hub for Africa, Bureau for Policy and Programme Support, UNDP Representative, Souleymane Abdallah , Representative of ECA

All of the speakers highlighted that According to him, Africa must move into the era of action by giving more consideration to the creation of youth employment and this must automatically be achieved by supporting seamless small and medium enterprises.

In his opening remarks, Mr. Mohamed Farid, gave a summary of the actions the agency is taking in favor of the development of small and medium-sized enterprises in Egypt.

- He informed the audience that his agency has set up a social welfare fund to support the projects of the micro enterprises in the country.
- He ended his speech by wishing the participants of the meeting a good stay in Egypt and expressed confidence that the meeting will lay the foundations for the development of the African private sector.

Marc Lepage announced that more than 33000 young Africans arrive at the work market every year and it is important to think about the agenda 2063 of the African Union Commission and the objectives of sustainable development of the United Nations.

He elaborated on the need for cooperation for information exchange for the development of entrepreneurship in Africa.

Souleymane Abdallah raised the fact that Africa must move into the era of action by giving more consideration to the creation of youth employment and this must automatically be achieved by supporting seamless small and medium enterprises.

Mr. Hussein Hassan ,Head of Industry Division, Trade and Industry Department, African Union Commission closed the opening ceremony of the first African meeting on Start-ups.

Speaking on behalf of the director of the department, Mrs. Treasure Thembisile Maphanga, Mr. Hussein thanked the government and the Egyptian people for their legendary hospitality.

- He highlighted that the African continent is now the biggest area with high percentage of youth and women and this must be taken into consideration when we talk about entrepreneurship in Africa.
- The African leaders must reinforce their commitment to achieve the objectives set up in the Agenda 2063 of the African union commission.
- He ended his speech by wishing the participants a useful and fruitful deliberations during the all days of meeting.

The meeting was moderated by Mr. Paul Msoma, Senior Officer in charge of Mining Policy at the Department of Trade and Industry of the African Union Commission. He introduced the programme of the meeting which includes four sessions:

SESSION 1: KEYNOTE SPEECH: THE SITUATION IN AFRICAN OF JOB CREATION OF YOUTH AND START UP

SESSION 2 : FINANCIAL INCLUSION AND STARTUPS DEVELOPMENT.

SESSION 3 : SPECIAL INITIATIVES.

SESSION 4: 'BUSINESS MODELS OF TECH HUBS (INCUBATORS AND ACCELERATORS) – BENCHMARKING EXERCISE OF AFRICAN ENTITIES WITH THEIR GLOBAL COMPARATIVES

SESSION 5: 'THE FOURTH INDUSTRIAL REVOLUTION AND STARTUPS DEVELOPMENT, MR. AUGUSTE YANKEY; SENIOR POLICY OFFICER ICT DIVISION, DEPARTMENT OF INFRASTRUCTURE AND ENERGY; AUC

SESSION 6: ENGAGING YOUNG PEOPLE AS THE DRIVERS OF THE NEW AGE OF DOING BUSINESS AND INVESTING IN INNOVATE SOLUTIONS TO DRIVE TRADE ACROSS AFRICA. PRUDENCE MAVUMBI

SESSION 7 : PRESENTATION OF THE DRAFT POLICY PAPER ON 4TH INDUSTRIAL REVOLUTION, STARTUPS DEVELOPMENT AND PERSPECTIVES FOR JOB CREATION IN AFRICA.

SESSION 1: KEYNOTE SPEECH: THE SITUATION IN AFRICAN OF JOB CREATION OF YOUTH AND START UP

In this session, Mr.Charles Dan, Special Representative on Youth and Social Inclusion, Regional Director, ILO made a brief presentation on the situation in Africa of Job Creation of Youth and Start Up.

- According to him the best chance of sustainably achieving the industrialization of Africa is through the promotion of youth employment in agriculture as over 60% of African employment is in this area. But to attract the youth, the future of Africa's agriculture will require a serious upgrading of the sector, including through irrigation facilities, access to finance, distribution channels and digital technology.
- He highlighted that include youth entrepreneurship and startup development as a central objective in national development strategies is very needful. Thus it is the role of policy makers to ensure a supportive macroeconomic environment, provide sustainable infrastructures, help build human capital and improve the business environment to unleash enterprise development at all levels.
- He noted that increase collaboration between governments, employers' organizations, trade unions, the education sector, youth associations, regional economic communities and development partners is critical.
- The participants noted that Regardless of sector or occupation, online talent platforms in Africa have the potential to moving people from informal to formal jobs, shortening the duration of job searches and enabling matches that would otherwise not have happened. It has been estimated, that by 2025, this could result in 536,000 jobs in Kenya, 861,000 jobs in South Africa, and 1.9 million jobs in Nigeria.

SESSION 2 : FINANCIAL INCLUSION AND STARTUPS DEVELOPMENT

Mr. Charles Dan, Special Representative on Youth and Social Inclusion, Regional Director, ILO.

Mr. Dan started with the presentation of the International Labor Organization (ILO), ILO is a specialized agency of the United Nations (UN) which brings together governments, employers and workers' representatives of 187 Member States.

The very purpose of the ILO is the creation of decent work for all. Four strategic objectives are implemented:

- Setting and promoting international standards and fundamental principles and rights at work;
- Creating greater opportunities for employment creation and enterprise development at all levels;
- Enhancing the coverage and effectiveness of social protection; and
- Strengthening social dialogue between governments, employers' organizations and trade unions.

In Africa there is a huge decent work deficit, African startups are expanding. They are at the forefront of the challenges of the future of work. But collective success requires bold policy decisions.

Despite a huge decent work deficit, African startups are expanding

Formal enterprises in the private sector play a crucial role in creating decent jobs. According to The ILO 2017 World Employment Social Outlook on Sustainable Enterprises and Jobs, in 2016, the private sector employed 2.8 billion individuals globally. Large enterprises are the main source of employment in the formal private sector. But the contribution of small and medium-sized enterprises (SMEs) to total employment is growing: In developing economies, SMEs account for 52 per cent of total employment, compared with 34 per cent in emerging economies and 41 per cent in developed economies.

Africa's youth is facing serious decent work deficit:

- In Northern Africa, youth represents more than 40 per cent of the total unemployed population; and
- Sub-Saharan Africa reports the highest youth working poverty rates globally, close to 69 per cent in 2017.
- A range of inter-connected insufficiencies relating to labour market institutions, trade, market size, financing and infrastructures (including limited internet connectivity or access to reliable power supply).

All these affect enterprise development and thus decent work creation. But one of the major problems in Africa is that a lot of small enterprises are necessity entrepreneurs. The highest proportion of potential youth entrepreneurs in the world is to be found in sub-Saharan Africa (60%). But 32% of them are necessity-driven entrepreneurs. Entrepreneurship is still clearly perceived as a survival strategy.

To create more decent jobs, Africa needs more opportunity entrepreneurs. Indeed, youth who are entrepreneurs out of vocation tend to have the ability to identify good business opportunities and possess better skills to start up a new business and make it grow.

To support them, Africa has over 400 incubators, accelerators, seed capital hubs, tech hubs, impact hubs and start-up academies. These co-working spaces provide resource-constrained entrepreneurs with the essential services needed to carry out their work. They offer work space, Internet, technical support, business planning and advisory services, mar-

ket linkages, and help to obtain financial support. But their services vary in quality and are still concentrated in urban centres.

Africa's startups are at the forefront of Africa's future of work

The World Bank has estimated that two-thirds of all jobs could be susceptible to automation in developing countries in coming decades, and to create new jobs in fields such as science, technology, engineering and mathematics (STEM), data analysis and computer science.

60% of African employment is in agriculture, thus the promotion of youth employment in this area would be the best chance to achieve the industrialization of Africa. But to attract the youth, the future of Africa's agriculture will require a serious upgrading of the sector, including through irrigation facilities, access to finance, distribution channels and digital technology.

The transition to a more ecologically sustainable economic model also has the potential to create millions of new jobs, in clean energy generation, pollution control and natural resource management...

Regardless of sector or occupation, online talent platforms in Africa have the potential to moving people from informal to formal jobs, shortening the duration of job searches and enabling matches that would otherwise not have happened. It has been estimated, that by 2025, this could result in 536,000 jobs in Kenya, 861,000 jobs in South Africa, and 1.9 million jobs in Nigeria.

In all these domains, Africa's startups are playing a pioneering role. However, most African countries are not yet equipped to transition to the "Fourth Industrial Revolution".

Africa's collective success will require bold policy decisions

No single formula exists for promoting youth entrepreneurship, startups and job creation in Africa. Each country must develop its own policy mix based on its resources, development vision, technological capability and production systems.

ILO suggested the following 4Cs for an inclusive approach to reinforce policies for expanding employment and startup development in Africa:

1. Concept

It is key to include youth entrepreneurship and startup development as a central objective in national development strategies. It is the role of policy makers to ensure a supportive macroeconomic environment, provide sustainable infrastructures, help build human capital and improve the business environment to unleash enterprise development at all levels.

2. Coordination

Accelerating startup creation requires strong policy coordination among ministries responsible for economic policies such as planning, finance, trade, industry, agriculture and those responsible for education and training, labour market policy and social protection.

Increased collaboration between governments, employers' organizations, trade unions, the education sector, youth associations, regional economic communities and development partners is also critical.

3. Credit

Youth - and young women in particular - face significant difficulties to access financial services for entrepreneurship or self-employment.

4. Competences

Investments in human capital must develop the skills needed today, but also start building the skills needed tomorrow.

Businesses, governments and individuals need to adapt to rapid technological change. This will mean investing in digital skills and technical competencies, such as in the science, technology, engineering and mathematics (STEM) fields, particularly in secondary and post-secondary education. Better use of new technology could also improve access to quality education for youth.

Africa is the continent where the greatest proportion of the population does not have access to social protection, and where human needs are largest. Effective social protection is as low as 18 per cent of the total population.

Africa's youth are particularly exposed to working poverty:

- In Northern Africa, approximately one in four employed youths in the region is in working poverty in 2017; and
- In Sub-Saharan Africa, the number of youth in working poverty increased by more than 10 million in the past decade, to 65.8 million, more than in any other region of the world.

Ending youth working poverty and social exclusion require to seriously accelerate social inclusion in Africa. One of the most concrete tool to address social exclusion in Africa is clearly to develop financial inclusion,

FINANCIAL ACCESS & FINANCIAL INCLUSION

Access to traditional financial services in sub-Saharan Africa remains low relative to other regions, in particular for the women and youth. Most often, it is only available for the more educated, the top 60 percent earners, and they are men. Access is particularly low in rural areas because financial institutions are mostly concentrated in urban centers.

Innovative financial services have started compensating for some of these shortcomings in a number of countries. The development of mobile payments has helped to incorporate large shares of the population into the financial system, particularly in East Africa. The success of systems, such as M-Pesa in Kenya, has contributed to reduce transaction costs, facilitate personal transactions, and increase the use of financial intermediation services.

But overall, insufficient information on borrowers (such as credit history and credit risk) and the lack of collaterals still considerably hinder the bank lending to the youth, which represents a significant constraint for young entrepreneurs.

FINANCING & YOUTH ENTREPRENEURSHIP

Africa's micro, small and medium-sized enterprises (MSMEs) in the formal sector face a credit gap on the order of USD 136 billion. The reasons are fourfold:

1. Most entrepreneurs rely on personal savings and their immediate personal network for start-up capital. In particular, bank lending and venture capital play a limited role in financing young entrepreneurs in the start-up stage;
2. Entrepreneurs often claim that supply of capital is limited, while bankers claim that entrepreneurial projects are not fundable;
3. Long-term borrowing and equity financing is exceptional: Almost 60% of loans in Africa are for less than one year, and less than 2% of loans are for more than ten years;
4. As far as women are concerned, gender-based legal restrictions may prevent them from owning property, making it harder to obtain loans. Yet, Africa has a high rate of female entrepreneurship at 33 percent, highlighting the potential and resilience of women in the continent.

And overall startups are more subject to credit constraints and are less resilient.

FINTECH & STARTUPS

With the bulk of Africa's populations being without access to basic traditional financial services, the work being done by Africa's fintech innovators is of crucial importance and impact.

Payments and remittances startups dominate the fintech market, with 41.5% of startups. But lending and financing are also a priority for Africa's fintechs. Since the fintech startup boom began in 2015, it has been estimated that the continent's fintech startups have secured more than US\$ 92 million in investment (US\$ 92,679,000). A new trend is that blockchain startups have proven the most likely group of startups to raise external funding - with 38.9 per cent of Africa's blockchain startups securing funding since the beginning of 2015.

Mobile payment platforms enable financial inclusion across the continent. They are the gateway service to provide customers access to a variety of financial services.

Remittances are one of the biggest sources of investment in Africa, while at the same time it still costs more to send money to Africa than to anywhere else. The opportunity for reducing the cost of transferring money into and across Africa is huge and a number of startups are working on this issue.

New wave of startups are also coming up across the continent that are redefining the definition of credit scores. Using data such as phone usage, airtime consumption, social media usage, GPS logs, mobile wallet balance and many more indicators, they are combining and analysing this data to calculate a customer's credit worthiness and grant micro-loans. Such services provide the first opportunity to collect financial data on people who would not have left any traces in traditional credit tracking rosters before. They offer them targeted services and access to financial products which they would not have had before.

ACCELERATING FINANCIAL INCLUSION THROUGH STARTUPS DEVELOPMENT IN AFRICA

Charles Dan highlighted four policy directions to improve financial inclusion through startups development in Africa:

- First, promoting a conducive financial environment:

Policy makers should create a conducive environment for financial sector development by promoting sound and stable macroeconomic frameworks and fundamentals. Apart from its useful role in establishing institutions, policy frameworks, and financial infrastructure, policy makers can play a key role in promoting the transparency of information and reducing counterparty risk.

- Second, promoting healthy competition:

Strengthening legal frameworks, including property rights and contract enforcement; enhancing the duration and objectiveness of legal proceedings; improving credit information

systems; and reducing costs related to high collateral requirements are critical for creating a level playing field, in which fintechs and startups can develop and thrive.

- Third, enabling policies to broaden financial inclusion:

As long-term investment is critical for startups, developing efficient capital markets - which create alternative sources of long-term financing (beyond traditional bank credit) and support saving mobilization for investment – are key. These include measures that aim at reducing intermediation costs. This can be achieved through a flexible approach to the adoption of innovative financial products.

- Fourth, supporting the development of mobile banking:

Promoting inexpensive and flexible use of technology, creating favourable conditions for banks and fintechs to develop new financial products and services, and keeping the legal framework open and adaptable are critical to facilitate financial inclusion.

There is no social inclusion without financial inclusion. But there is also no financial inclusion without financial literacy. And increasingly, there will be no financial literacy without digital literacy.

Policy makers should therefore focus on promoting the financial education of active and potential low- and middle-income users of financial services. This can be done through well-designed education programs and information awareness campaigns. In this context, policy makers should also foster consumer protections in the access and use of financial services.

SESSION 3 : SPECIAL INITIATIVES.

Mr. Marc Lepage: Knowledge & Innovation advisor, YouthConnekt Initiative, Regional Hub for Africa

Bureau for Policy and Programme Support (UNDP), introduced YouthConnekt Initiative.

Context: young people in Africa

- 1.8 billion young people (10-24 years), of whom 90% live in developing countries
- Young people in Africa face multiple challenges:
- Limited political Inclusion
- poverty
- Skills
- Unemployment
- Opportunities: technology, energy, willingness to change things

YouthConnekt is a virtual platform that connects young people with important public and private sector actors to forge partnerships to offer employment and entrepreneurship opportunities (internships, courses, mentoring, job offers, incubators, etc.).

Use of technology allows networking but also supports the different elements of the program

5 components of YouthConnekt Rwanda:

- YouthConnekt is a virtual portal of interaction. Through the portal youth can connect with peers, leaders, and role models. The participants inspire each other and share knowledge and ideas via video chats and live streaming on goggle+ and YouTube, and TV and radio channels. Themes discussed include employment, entrepreneurship, financial inclusion, environment, investment, sports and culture, reproductive health, and much more.
- YouthConnekt Convention: Gathers young Rwandans living in Rwanda and abroad. Each year, more than 3000 youth meet at the convention to showcase innovations and achievements, to discuss new ideas and to set goals. The convention is also an opportunity for the youth to discuss national development and contribute to the National Dialogue Council, UMUSHIKIRANO
- YouthConnekt Bootcamp and competitions: is two days event that brings together 90 of Rwanda's best young innovators from all over the country. The YouthConnekt Boot Camp and Awards promote, recognize and support innovation and entrepreneurship among youth through intensive training courses and cash injections for business development. The event connects youth with private sector players. NGOs and financial institutions.
- YouthConnekt Champion and Celebrating Young Rwandan Achievers (CYRWA) identify and award extraordinary accomplishments by youth and significant efforts to promote youth employment and entrepreneurship through job creation, internship, capacity building, change of mindset, etc. Award winners are selected among individuals, enterprises and organisations in the public and private sector, and the civil society.
- YouthConnekt + Holiday Programs: Mobilise the youth to contribute to the national development through hands-on activities. By taking advantage of the youth's talent, passion and energy, the component demonstrates the great potential of the youth and it promotes a culture of self-reliance and solidarity among them by making significant impact on their respective communities.

Key Achievements

Since its launch in 2012, the YouthConnekt initiative has enabled:

- Involving more than 4 million young people in activities related to their involvement in economic life • Training 500 young innovators • Creating more than 4,000 decent jobs for young men and women
- 2013 YouthConnekt wins UNDP Africa Innovation Award Interest from several African countries to replicate initiative.

YouthConnekt Success factors

- Skill development: equip youth with the right skills and knowledge to take full advantage of the employment and entrepreneurship opportunities that their immediate environment offers for selfdevelopment and the advancement of their communities.
- Inclusiveness: YouthConnekt targets all youth, from High school to universities, from urban to rural areas, from youth living with disabilities to girls

YouthConnekt Success factors

- Focus on ICT: ICT is at the core of YouthConnekt. The platform is supported through an interactive website www.youthconnekt.rw, social media (Facebook and Twitter) and monthly Google hangouts. Youthconnekt support the development of new ICT projects through competitions and awareness raising activities. • Citizen Engagement: Through the online debates (hangouts), the yearly convention and the social media, the month and holiday, YouthConnekt gives the opportunity to youth to get engaged, to take part to national dialogue platforms where they can discuss and express their views and get engaged in their communities
- Awareness raising: YouthConnekt aims at raising awareness among the youth on their role to play in Rwanda's inclusive growth and economic transformation (role ICT and entrepreneurship play in the development agenda, importance of skill development, attitude and mind-set to access employment and entrepreneurship opportunities, etc.

SESSION 4: 'BUSINESS MODELS OF TECH HUBS (INCUBATORS AND ACCELERATORS) – BENCHMARKING EXERCISE OF AFRICAN ENTITIES WITH THEIR GLOBAL COMPARATIVES

Mr Alex NTALE

Alex Ntale is founding President of The iHills, Rwanda's Young ICT Entrepreneurs' Association. He is currently Director of the ICT Chamber Secretariat in PSF and a visiting lecturer at Université Libre de Kigali (ULK). He is one of the executive member of the Klab hub. kLab provides an open space for IT entrepreneurs to collaborate and innovate in Kigali, Rwanda. kLab (knowledge Lab) is a unique open technology hub in Kigali where students, fresh graduates, entrepreneurs and innovators come to work on their ideas/projects to turn them into viable business models. The growing kLab community is also made of experienced mentors who provide both technical and business assistance to needy members. At kLab we also host events, workshops, bootcamp, hackathons and networking sessions to promote collaboration/partnerships, investment and financing. kLab's mission is to promote, facilitate and support the development of innovative ICT solutions by nurturing a vivid community of entrepreneurs and mentors.

The kLab is a place of work, sharing and exchange, open 24/24, 7/7. The members come to share their ideas, refine their projects, test their concepts in order to transform them into viable business models. Wifi, offices, meeting rooms but also a relaxation area with a foosball, walls covered with post it with quotes ... The setting is conducive to the proliferation of ideas, creativity and innovation!

The kLab relies on the expertise of more than 60 local and international mentors (the famous baking powder) who accompany and follow tenants. They provide advice on topics such as business acumen, leadership and management.

Mr Alpha Nury

Alpha Nury, president of the association Jamaa decides to create Jamaafunding: a site of crowdtiming for economic development, social and solidarity, which gathers projects of the whole world. Created in 2015, Jamaafunding is a crowdfunding site for humanitarian and solidarity projects. It allows people to help project leaders by donating them or giving their time.

Jamaafunding is a platform for crowdtiming (project funding by donating time and money) dedicated to solidarity, social, innovative and economic development projects around the world. Our main goal is to create synergies between players in the world of solidarity and to promote the exchange of skills.

Flexifunding: Allows, in case of difficulty of reaching the objective of the collection, and with agreement of the contributors, to consider the idea of giving the collected sum to the project leader (it will depend on the project and the urgency of its financing).

Crowdtiming: Crowdtiming is a combination of crowdfunding and timefunding, applied to projects requiring money financing and the intervention of volunteers to carry it out.

Timefunding allows you to give your time to projects requiring the help of volunteers with key skills.

A person, an association or a company has an idea of solidarity project or economic development assistance but it lacks funds and / or volunteers. It then creates a page on Ja- maafunding to present its project and its needs (amount to be collected and / or volunteer hours) to realize it. This page is intended for donors who may be interested in the project. Donors donate money or time to the project, which can then see the light of day. They can then follow the evolution of it via the project leader who has filled in all its coordinates. Once the entire goal is reached (donated time and / or money) and the collection period is over: the project is successful.

Mr Jonathan Stever

Mr Jonathatn Steveris CEO at the Office. The Office is a hub of hubs. We are a community workspace, a community venue and a physical community-focused entrepreneurial ecosystem. Our work is aimed at supporting the entire creative and entrepreneurial ecosystem across the city.

We started in October 2012 with a small space. Since then our community has taken over our entire building and we have partnered with a new technology incubator, think, to open a second open workspace in another building across town. We have hosted some major cultural and intellectual events in the city over the last two years, from TEDx to film festivals to 3D printing workshops to social enterprise happy hours to art exhibitions. In the next few months we will launch Kigali's first technology park. We are also an Impact Hub candidate and will be applying for Impact Hub membership in April to connect our community of social entrepreneurs with the amazing global Impact Hub community.

There is absolutely an important place for traditional coworking spaces in Africa alongside the tech hubs, and they are not necessarily different. Afrilabs, the network of innovation hubs in Africa, for example, counts several coworking spaces among its members, such as The Office and District.

The market for coworking is clearly more challenging in Africa than in other regions. Many of our recurrent costs, such as internet and commercial space, are significantly more expensive as a share of local income than in other regions while the number of freelancers and startups is proportionally much smaller. But, the model is definitely viable, as The Office is demonstrating.

One of the biggest challenges we face is the degree of non-market competition in this sector across the continent. Organizations and governments are now interested in being seen to « support innovation », but they often end up creating distortions in the market. When selected spaces are provided with recurrent cost subsidies it becomes much more difficult for other spaces to operate on a purely commercial and sustainable basis.

Tech hubs are incredibly important spaces for techies and entrepreneurs to learn skills and explore opportunities, but in order for the engineers to build and grow viable businesses they need to be connected with creatives, marketers, financiers, accountants and so on. In this way, coworking environments are a perfect compliment to the tech hubs that are popping up across the continent.

SESSION 5: 'THE FOURTH INDUSTRIAL REVOLUTION AND STARTUPS DEVELOPMENT, MR. AUGUSTE YANKEY; SENIOR POLICY OFFICER ICT DIVISION, DEPARTMENT OF INFRASTRUCTURE AND ENERGY; AUC

The Industrial revolution is about smart buildings, smart products smart mobility, smart grids; smart logistics. A startup is a small enterprise with a strong potential growth, using nex technologies, ans needing massive funding (fundraising)

ICT are the opportunity for Africa to transform itself and contribute substantially to world economy

ICT policies are measures and courses of action adopted bu governments to address ICT issues. Strategies developed and put in place by public bodies that enable them transform their economies into information and knowledge economies.

ICT Public policies exist at the global level; regional and national level

3 main factors to benefit from Industry 4.0

a. Infrastructure and broad band connection development

Under this initiative there is

- the African Internet Exchange System (AXIS) project
- The DotAfrica project
- The PanAfrican e Network

b. Capacity building: The African Leadership in ICT

- c. Government involvement by providing an enabling environment
- The AU Convention on Cyber Security and personal Data Protection
 - Internet Infrastructure security guidelines for Africa

For the way forward, the AU is committed to

- Assist African countries to draft their national cyber strategy and legislation
- Organize Capacity building and awareness raising workshops
- Develop national Cyber infrastructure

SESSION 6: ENGAGING YOUNG PEOPLE AS THE DRIVERS OF THE NEW AGE OF DOING BUSINESS AND INVESTING IN INNOVATE SOLUTIONS TO DRIVE TRADE ACROSS AFRICA. PRUDENCE MAVUMBI

A firm's willingness and ability to innovate depends on various characteristics. In particular, young, small firms are often perceived to be the main drivers of innovation. While such firms do make an important contribution to the development of new products, they are not necessarily more innovative than other firms when viewed as a whole. This is partly because when young, innovative firms are successful; they often grow fast; thereby becoming larger firms.

Young, small firms may tend to innovate less, but startups still represent a very important class of innovators. They are the firms that are most likely to come up with innovations that are new to the global market. In some cases, the innovation is the sole reason for the firm's creation.

The scarcity of startups generating world class innovation reflects the fact that transition economies are further removed from the technological frontier than advanced economies. These may be due to a series of factors constraining the development of innovative startups.

Among these factors are lack of specialist financing (such as angel investors, seed financing and venture capital), skills shortage, high barriers to the entry of new firms and weak protection of IP rights.

Human capital, Information and communication technology and a conducive business environment are drivers of innovation

SESSION 7 : PRESENTATION OF THE DRAFT POLICY PAPER ON 4TH INDUSTRIAL REVOLUTION, STARTUPS DEVELOPMENT AND PERSPECTIVES FOR JOB CREATION IN AFRICA.

A draft of the document prepared by the consultant Issa Barro was sent to all participants who must send us their feedback and comment

3. General consensus and Key recommendations

It was emphasized that the AU should harness its platforms to mainstream Start Up developments and include entrepreneurs in the formulation.

The Start Up Fest needs to be institutionalized, and it should be expressly noted that it is a multi stakeholder initiative.

The following Start Up should involve a couple of successful Start Up that pitch their business ideas and success stories.

There was consensus on the following:

The need to establish a similar platform to the Start Up Fest that is independent of the AU at a continental level;

The AU should look into an ecosystem funding for the hubs, in order to build the capacity of the tech hubs to do more.

The following criteria were outlined as being necessary to fulfill before the establishment of an Association of African Tech Start Ups:

- Convene a meeting of a minimum of 75 Tech Ups. The meeting will be used as a platform to reach consensus on the need to establish an Association of Tech Start Ups and to agree on the governance thereof.
- Membership is open and inclusive.
- The AU willingness to engage with the association.

The Transform Africa was suggested as a starting point to mobilize the 75 Start Ups.

The AU's distinct ability to convene different stakeholders such as Recs, networks, regional organizations and international organizations, was identified as playing an important role when in partnership with existing platforms such as Transform Africa.

Moving Forward

It was agreed that Alpha, Providence, John and George work to deliver a side meeting during Transform Africa in May.

It was agreed upon that the report be ready with tasks for every agency as part of a work plan..

In his closing remarks Mr Hussein thanked all participants for their contributions and reiterated the AU 's commitment to realizing the success of the Start Up on the continent.

4. next steps

Work Plan/Timeline

1. **By Mid-Jan:** Finalize concept note with the Working Group - Share concept Note with hubs that we'll invite. (*Wednesday 17 finalize documents and share with community and Friday 19 send all documents to African Union*)
2. **By Mid-Feb:** Finalize on logistics plan, budgets, and i4policy to send a digital invitation form for all hubs on the continent to apply to join the hub convention.
3. **End-March:** Finalize on participants and logistics (hotels, flights, etc)
4. **Mid-April:** Prepare draft governance structure and mission and share with all participants.

Annexes

1. Charles Dan : Special Representative on Youth and Social Inclusion, ILO
2. Alex Ntale : CEO Rwanda ICT Chamber
3. Jonathan Stever : CEO The office :
4. Annie Mutamba : General Manager Meridia Partners
5. Mr. Ould Mohamemdi Mohamed: SMEs Expert Algeria
6. Abdallah Souleymane : CEA
7. Providence Mavubi : Associate Director Youth Engagement in Agribusiness Trade and Investment _ African Agribusiness Incubators Network
8. Auguste Yankey : Senior Policy Officer ICT division, Department of Infrastructure and Energy, AUC
9. Marc Lepage : UNDP : <https://www.slideshare.net/mlepage/youth-connekt-presentation>