



REGIONAL PROJECT DOCUMENT

MAY 2024

Project Title: Support to strengthen the pan-African start-up and innovation ecosystem

Project Number: Implementing

Partner: United Nations Development Programme (UNDP)

Start Date: June 2023

End Date: May 2026 PAC

Meeting date:

BRIEF DESCRIPTION

The main objective of the proposed support is to strengthen the pan-African start-up and innovation ecosystem through a blended catalytic and commercial financing facility called timbuktoo Africa Innovation Foundation. Its key purpose would be to nurture the scaling up of impactful innovative technology and technology-enabled (TTE) start-ups across Africa. The proposed financing facility would focus on addressing three issues:

- 1) Gaps in early-stage domestic and international risk capital (venture capital),
- 2) A fragmented and weak start-up ecosystem — specifically with as it relates to entrepreneur support organizations (ESO), government, knowledge and research centres, corporates, industry and even the media; and
- 3) Constraints faced by start-ups in expanding and trading across borders and capturing pan-African market potential.

Providing ecosystem-oriented, holistic support to address these concerns will help promising entrepreneurs to build and grow innovative and internationally competitive pan-African enterprises, which will contribute to the inclusive development, environmental, and socio-economic welfare of the continent.

UNDP's engagement in supporting the establishment of the timbuktoo initiative would be to:

1. Act as convenor in bringing together private and public sector actors, including funding, ecosystem, government and technical knowledge partners;
2. Provide development services to support the timbuktoo Africa Innovation Foundation Headquarters;
3. Support the establishment of up to four Innovation Hubs to act as a proof of concept; and
4. Provide technical advisory around Sustainable Development Goal (SDG) alignment, impact measurement and management (IMM) and others.

Specific objectives of UNDP's engagement include:

1. Supporting the establishment of an innovative public-private blended financing facility to support youth start-ups and the innovation ecosystem across Africa;
2. Advancing industrialization and pan-African trade within the African Continental Free Trade Area (AfCFTA) led by youth tech and tech-enabled start-ups; and,
3. Advancing the achievement of the SDGs across Africa through innovation and youth entrepreneurship.

**Contributing Outcome
(Regional Programme Document for Africa):**

Outcome 2: African citizens (especially women, and youth) benefit from a regionally integrated, structurally transformed, and inclusive economy.

Indicative Output(s):

Output 2.4. Policies and practices developed and business models facilitated for inclusive private sector development across diverse country settings, including for Africa’s borderlands

Gender Marker: GEN2 (gender equality as a significant objective)

Total resources required:	US\$20,874,474	
Total resources allocated	UNDP TRAC	US \$9,000,000
	Donor	US \$4,098,481
	Government	
	In-Kind	
Unfunded	US\$ 7,775,993	

Agreed by (signatures) :

DocuSigned by:
Ahunna Eziakonwa
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UNDP	
Print Name: Ahunna Eziakonwa, Assistant Administrator and Director, Regional Bureau for Africa	
Date:	11-Jun-2024

Note: Adjust signatures as needed.

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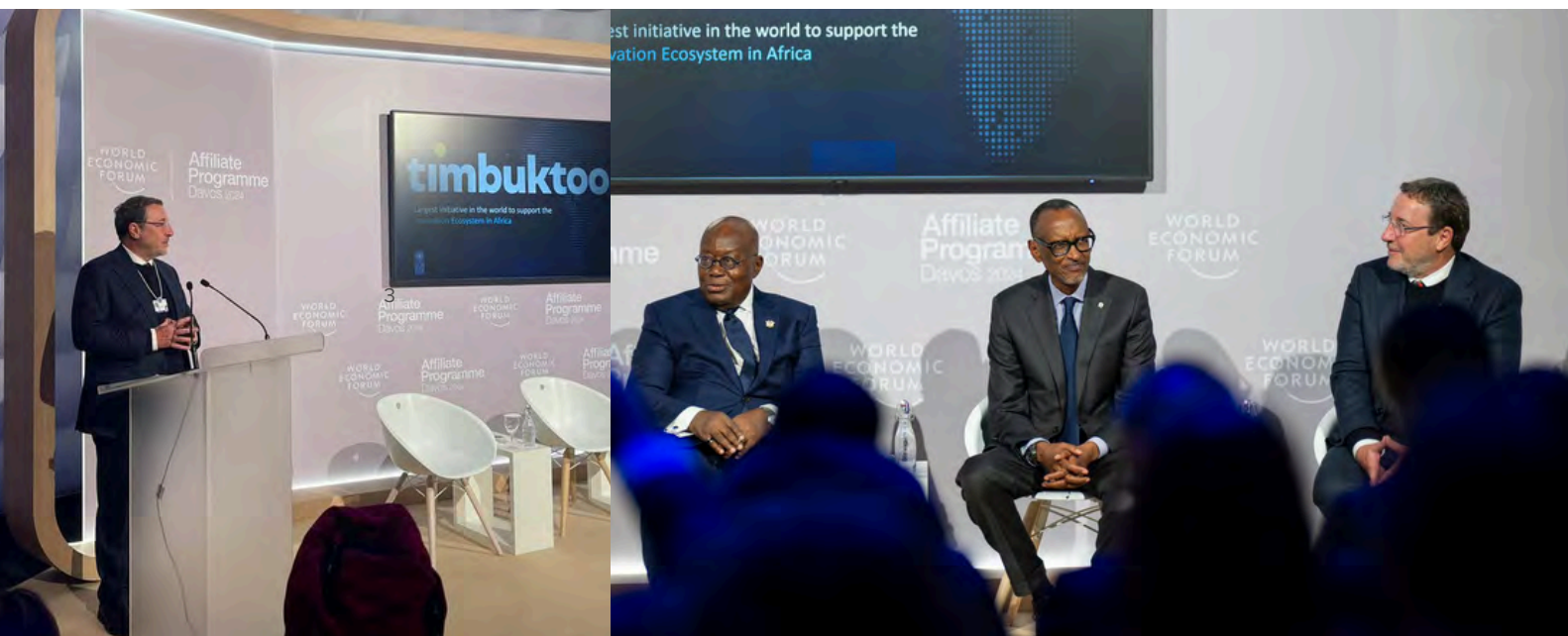
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I. DEVELOPMENT CHALLENGES

As access to technology increases and the costs of starting and running a business decline, the number and speed of growth of tech and tech-enabled (TTE) start-ups across the world has risen dramatically. Start-ups, distinguished from traditional micro, small and medium enterprises (MSMEs), are defined as ventures that are innovation-based, tech-enabled and scalable, with potential for high impact in terms of job creation and positive disruption of traditional ways of doing things.

As the world transitions from the industrial age to the information age, start-ups are penetrating and reinventing every aspect of human activity. These range from government, finance, defence, markets and media to culture, communications, health and even education, agriculture, energy and fashion. Start-ups create jobs. Among the insights generated by a Kauffman Foundation study¹ was the finding that start-ups were responsible for all net new jobs created in the United States between 1986 and 2014.

Some of the companies that will drive the global economy by 2035 may not even exist today. It is also likely that an increasing number will come from outside the traditional confines of Silicon Valley. Start-up ecosystems are rapidly emerging across the globe — from **Tel Aviv** to Bangalore, São Paulo, Lagos, Nairobi, Singapore, Cape Town, and elsewhere — as governments increasingly recognize the potential of cultivating such ecosystems. Start-up guru Steve Blank has described this global trend as “the frenzied competition for the magic combination of investment dollars, founders, talent, and culture that leads to a thriving start-up ecosystem”.²



¹ Kauffman Foundation.

² Steve Blank, Compass.

Against this backdrop of a global start-up revolution, Africa has witnessed a surge of interest in entrepreneurship over the past five years. Across the continent, there has been a proliferation of start-up hubs, incubators and accelerators, business-pitch competitions and other efforts as governments, donors and private actors have rightly focused on the entrepreneurship challenge. However, a pervasive challenge seems to creating significant traction; and transitioning from idea or early start-up stage to scale-up.

The stakes for Africa's emerging innovation economy are high. Africa the world's youngest continent and home to half the world's mobile money users. It is also the most entrepreneurial continent. Before the COVID-19 pandemic, 22% of the population were engaged in their own businesses.³ Thus, Africa's youth start-ups have massive potential to transform livelihoods, create jobs, positively impact the environment and generate economic value.

Africa faces several critical challenges.

On the one hand, there is a need to harness and positively leverage what has become known as the "youth bulge," with 60–70% of Africans below the age of 30, and a staggering 10 million young people entering the labour force every year. With the fastest growing working population in the world, Africa's increasingly young labour force must be positioned to become job creators, rather than wage earners. This challenge is not only an economic priority, but a social and even political imperative, with spill-over implications for global security and migration.

On the other hand, Africa's youth are impatient, eager for change and aspirational. With social connectedness and adept at harnessing the power of media, they are not willing to accept old development paradigms.

Leveraging the nexus of youth, innovation and entrepreneurship can unlock both the challenge of promoting job creation, and that of achieving economic transformation with a transition to a service and knowledge economy. The critical pathway to unlocking this potential is innovation at scale.

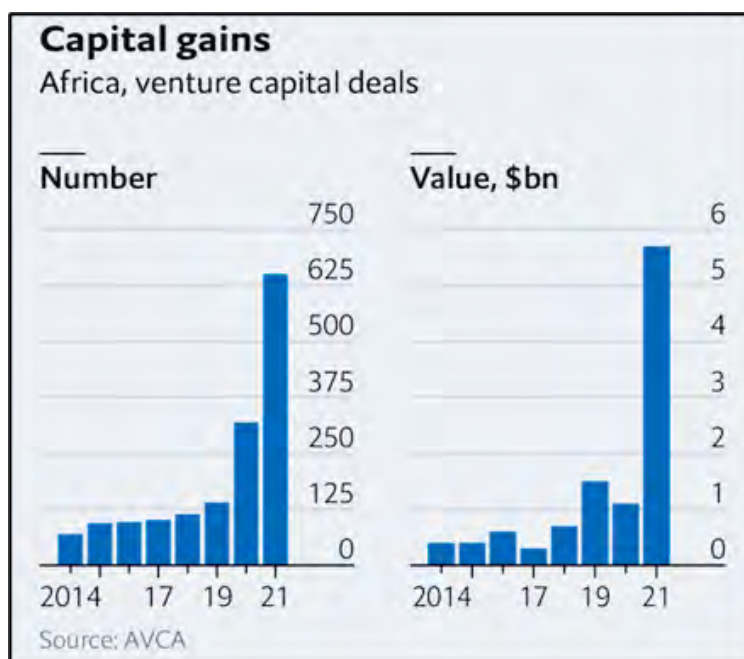
In this regard, two points should be highlighted:

1. First is the need for highly focused risk capital to fill a serious financing gap at the seed stage of new businesses. This gap that cannot be filled by commercial credit, nor is it addressed by pitch grant capital.
2. Second, concerted attention is required to building innovation start-up ecosystems, rather than just supporting individual start-ups.

Innovation exists everywhere and is not exclusive to just a privileged few. The world has witnessed, for instance, globally transformative shifts conceived in places like Silicon Valley or Hangzhou. The spirit of innovation is alive and well in Africa, but in order for it to scale and create transformational movements, the necessary elements should be in place within a conducive ecosystem. These include seed and growth-phase financing, university research labs, service providers, corporate engagement and more.

³ Tony Blair Institute, Feb 2022, Supercharging Africa's Start-ups.

Figure 1: Africa Venture Capital Deals, 2014–2021



Box 1: The Financing Challenge

These positive African trends mask a number of development challenges. The first is that the great majority of financing into the continent, 83%, is flowing to just four countries: Nigeria, Kenya, South Africa and Egypt.⁴ This points to a need to expand the flow of capital to other countries where opportunities for innovation exist. Second, fintech represents over 60% of investments. This suggests the need for capital to also flow to other sectors, such as food and agriculture, health, education, tourism, energy, and more. Third, the great majority, 89%, of Africa's venture capital comes from international, non-African and mostly US-based sources of capital. This figure suggests that a significant gap exists in domestic capital allocated to fuelling Africa's start-up economy. Associated with this trend are resulting biases, and concerns for long-term sustainability⁵ and economic value extraction. Finally, despite the positive trends in venture capital funding and the number of start-ups attracting investment, Africa's contribution to global start-up value remains at just 0.2%, due to insufficient funding, digital skills gaps and bureaucratic hurdles. The early-stage risk capital gap to enable Africa to meet its potential by 2023 is estimated at \$90 billion.⁶

To summarize, the African start-up financing challenge is defined by a need for:

1. More diversified capital across African countries;
2. More diversified capital across industries and sectors;
3. More domestic institutional capital; and
4. More early-stage risk capital to fill the funding gap.

⁶ Tony Blair Institute, Feb 2022, Supercharging Africa's Start-ups.

The Promise of the One Africa Market

Alongside the start-up revolution that has emerged in Africa over the past five years, another important trend, dubbed a game changer by the World Economic Forum, is the entry into force of the agreement establishing the African Continental Free Trade Area (AfCFTA). The AfCFTA constitutes the largest free trade area in the world (measured by the number of countries participating), connecting 1.3 billion people across 55 countries with a combined gross domestic product (GDP) valued at \$3.4 trillion.

Africa currently accounts for just 2% of global trade, and only 17% of African exports are intra-continental, compared with 59% for Asia and 68% for Europe. The potential for transformation across Africa is therefore significant. It is estimated that the AfCFTA could lift 30 million people out of extreme poverty, and generate \$450 billion in income gain by 2035.⁷



⁷ AU-AfCFTA.org 2023.

Figure 2: AfCFTA member countries by status of ratification, 2023



The emergence of the AfCFTA presents a tremendous opportunity for Africa's innovation start-ups to surmount another significant hurdle: the market challenge.

As countries align around the free flow of goods, labour and services in the coming years, the AfCFTA will increasingly enable start-ups to expand beyond borders and achieve scale faster, wider and in ways that were previously unattainable. The pan-African trade opportunity represents a significant gateway to intra-African trade expansion and income growth for the continent. It also enables multi-country start-ups to attract more capital as they are able to mitigate risk by addressing multiple markets.

Analysis by the Plug and Play Tech Center⁸ suggests that “with the AfCFTA, entrepreneurs will have access to a much larger market, which will facilitate their international expansion, but it will also bring international competition to regional markets”. As start-ups gain access to a greater market, their potential to attract more capital increases significantly.

⁸ Plugandplaytechcenter.com January 2021.

Box 2: Technology for Good

Across Africa, and around the world, innovators, creators, makers and entrepreneurs are engaged in constant efforts to solve problems, using cutting-edge technology to develop solutions in education, commerce, health, education, waste management, climate, energy, logistics and agriculture, to name a few. Technologies such as artificial intelligence (AI), drones, robotics, Internet of Things-embedded systems, augmented reality and blockchain can be employed across diverse sectors. These include fashion, tourism, food, digital identity, longevity, wildlife conservation, biodiversity, climate adaptation and many more.

From the Industrial Revolution, to modern medicine and the Internet, there has been clear recognition of the power of innovation to transform lives and economies. What is potentially new, however, is the unprecedented rate of technological advancement, in terms of speed and its span, along with increasingly lower costs. The current era of technological advancement through innovation is producing seismic shifts in our world.

Innovation does not just support growth, but also addresses deep social, environmental and global challenges. It is imperative for societies and countries to avoid being bypassed by the Fourth Industrial Revolution. Governments are increasingly focused on investing in digitalization and innovation as a way to enhance the benefits and impact of innovation for societal welfare.

The Case for Thriving Tech Ecosystems and a Pan-African Start-up Network

Tech ecosystems help to drive economic growth, with the digital economy projected to contribute some \$300 billion to Africa's total GDP by 2025. In Nigeria, the technology sector contributed more to GDP between 2010 and 2019 than the oil and gas sector, while in Kenya, information and communication technology (ICT) contributed 8% to the country's GDP and created 250,000 jobs in 2021.⁹

However, in many countries across the continent, tech ecosystems remain fragmented and challenged with regulatory barriers, weak digital infrastructure and high costs of doing business. African tech ecosystems are largely characterized by a lack of start-up-friendly legislation, regulatory sandboxes that encourage experimentation and innovation, coordination with universities and corporate research and development (R&D) or effective start-up support organizations. These challenges are compounded by a lack of early-stage capital.

To realize its potential, the African innovation economy would benefit from a concerted agenda to support tech ecosystems. A recent study of the African innovation ecosystem proposes the following measures:¹⁰

⁹ Tony Blair Institute, Feb 2022, Supercharging Africa's Start-ups.

¹⁰ Ibid.

1. Start-up-friendly legislation and regulatory regimes;
2. Start-up visas that encourage the free flow of talent across countries;
3. Improved capacity of start-up support organizations (hubs, incubators, accelerators);
4. Strong support networks connecting universities, start-up founders, corporates, tech hubs, government focal agencies and service providers;
5. A pan-African Start-up Network that links start-ups and ecosystem players across the continent and enables free flow of information and best practices;
6. AfCFTA implementation, to enable the free flow of goods and services;
7. Improved digital infrastructure and digital skills; and
8. A public data-sharing platform on continent-wide start-ups to encourage access to capital and partners.



Alignment to UNDP Strategy and SDGs

UNDP's Strategic Plan 2022–2025 is grounded in UNDP's continued commitment to eradicating poverty, accompanying countries in their pathways towards the SDGs and working towards the Paris Agreement. It envisions bold goals, making a difference to millions of lives through the six Signature Solutions, namely:

1. Poverty and inequality;
2. Governance;
3. Resilience;
4. Environment;
5. Energy; and
6. Gender Equality,

powered by digitalization, innovation, and development financing.

The Renewed Strategic Offer in Africa by UNDP's Regional Bureau for Africa (RBA) is organized around six strategic impact areas, namely:



In turn, these rely on six foundational enablers, namely 1) governance of things; 2) digital transformation; 3) sustainable/innovative financing; 4) strategic communication and partnerships; 5) South-South cooperation; and 6) development intelligence. UNDP's support for timbuktoo is integrally aligned to the Strategic Plan 2022–2025 and its three levers (digitalization, strategic innovation and development financing), to put forward a bold and ambitious set of target outcomes for youth tech and tech-enabled start-ups in Africa. The desired target outcomes of timbuktoo are also deeply aligned with the UNDP Strategic Plan's six signature solutions, as identified above.

UNDP's support for timbuktoo is integrally aligned to the Strategic Plan 2022–2025 and its three levers (digitalization, strategic innovation and development financing), to put forward a bold and ambitious set of target outcomes for youth tech and tech-enabled start-ups in Africa. The desired target outcomes of timbuktoo are also deeply aligned with the UNDP Strategic Plan's six signature solutions, as identified above.

Moreover, timbuktoo aligns with all six strategic impact areas of UNDP’s Renewed Strategic Offer in Africa as well as the Regional Programme Document for Africa (2022–2025). As a collaborative initiative between UNDP and the African Influencers for Development (AI4Dev), a network of private sector champions convened by the UNDP Regional Bureau for Africa, timbuktoo is firmly grounded in both UNDP’s strategic objectives as well as its approach to engaging private sector partners in co-creating solutions.

The timbuktoo initiative aims to directly advance the achievement of the SDGs through the results of its “technology for good” offer. Of particular relevance in this regard is the potential for supporting innovations at scale in fintech, agritech, health tech, climate and energy, waste, logistics, commerce, trade, smart cities, mobility, tourism, the creative industry, mine tech and education. As shown in the figure below, the potential impacts of timbuktoo are relevant to nearly each of the 17 SDGs.

Figure 3: timbuktoo and the SDGs



II. STRATEGY

The timbuktoo initiative aims to create a pan-African start-up ecosystem facility featuring university innovation pods (UniPods), Innovation Hubs and de-risking capital made up of catalytic and commercial capacity. The main objective of UNDP support towards its establishment will be to nurture and scale African tech and tech-enabled start-ups for impact.

A holistic approach to supporting Africa's start-up ecosystem will not only address the gap in early-stage financing, but also respond to concerns around fragmented tech ecosystems — bridging the pan-African market opportunity.

UNDP will play a catalytic role in bringing together private and public sector actors and supporting the establishment of the timbuktoo Africa Innovation Foundation, without taking an active role in implementation of the Foundation's activities, or in its funding structure.

Thus, the specific objectives of UNDP's engagement to support timbuktoo include:

1. Establishing a public-private blended innovative financing facility to support youth start-ups and the innovation ecosystem across Africa;
2. Supporting the participation and contribution of youth tech and tech-enabled start-ups in advancing industrialization and pan-African trade — specifically the innovations powering Made in Africa under the AfCFTA;
3. Supporting the establishment of up to four Innovation Hubs to act as a proof of concept; and
4. Supporting innovation and youth entrepreneurship across Africa to contribute and advance the achievement of the SDGs.



The timbuktoo Model

timbuktoo is structured to focus on three key gaps in Africa's tech innovation ecosystem, namely:

1. Scarce early-stage risk and domestic capital;
2. A fragmented and weak innovation ecosystem; and
3. Barriers to access the pan-African market.

The envisaged structure of the timbuktoo blended financing facility, aiming to mobilize and invest \$1 billion over 10 years, involves a catalytic fund (the timbuktoo Africa Innovation Foundation), that would invest funds in up to 10 timbuktoo Innovation Hubs distributed across Africa. This project document covers the creation of the first 4 Hubs. Another 6 will be created from resources of the Foundation in a second phase.

The timbuktoo Africa Innovation Foundation, as a catalytic fund, would be managed by a competitively selected professional Chief Executive Officer (CEO), termed Executive Secretary under the Foundation) and a Fund Administrator. Other senior management positions — such as the Chief Innovation Officer and Chief Operations Officer — will be appointed by the CEO with approval from the Council. The objective of the timbuktoo Africa Innovation Foundation would be threefold:

1. To finance the support to start-ups and build a strong, investable pipeline of pan-African start-ups drawn from the 10 Innovation Hubs;
2. To inject de-risking capital into commercial venture capital funds to incentivize private early-stage risk capital, and to crowd in missing African institutional capital; and,
3. To finance a set of support activities for the network of UniPods and Hubs as a whole, to ensure strategic alignment and impact.

The timbuktoo Africa Innovation Foundation is registered and domiciled as a separate legal entity by its Founding Partners in Africa as a non-profit Foundation (Common Benefit Foundation), in the Kigali International Financial Centre.

Each of the timbuktoo Innovation Hubs will constitute a pan-African Centre of Excellence in orientation, working with top African talent from across the continent (including North Africa). The Hubs will be strategically sector-oriented on a specific industry vertical, while remaining open to offering support in other verticals. The industry verticals are the following:

1. FinTech;
2. Agri-Tech;
3. Health Tech;
4. Climate Tech/Energy (Green Tech);
5. Trade Tech/Logistics/Commerce;
6. Smart Cities/Mobility;
7. Creatives/Gaming/Video;
8. EduTech/Tourism Tech.
9. Mine Tech.

Additional hubs shall be included as the expansion and deployment of the project grows. Each hub will be located in a strategic African start-up ecosystem, selected on the basis of core criteria related to the strength of the tech ecosystem, government support, ease of doing business, critical mass of start-ups and ecosystem players, open borders and other key factors.

The key characteristic of the verticals and hubs is the dual strategy, comprising a Venture Fund with a symbiotic Start-up Builder. This dual structure is based on observed global best practice in ecosystems such as Silicon Valley and elsewhere, where the symbiotic relationship between the two entities is a key success factor.

In the case of the timbuktoo Hubs, the Start-up Builder (Incubator/Accelerator) would be responsible for providing a comprehensive set of support services to start-ups in the given vertical in the form of two cohort programs per year. It would provide coaching, skills-building, mentorship, corporate partnerships, design lab, rapid prototyping and pre-manufacturing support (MakerSpace), peer networking and learning, business services (financial, legal, branding, marketing) and a TradeAfrica advisory service to support trade expansion.

The Hub would also engage other ecosystem partners, such as corporates, universities, industry technical experts, government agencies, international support agencies, business service providers, mentors and others to bring a well-rounded holistic support to the start-ups in its programmes. In time, the Hub will support an alumni network — often a core factor in the success of such programmes.

Within the specific industry vertical, the Hub would work with three stages of start-ups:

Table 1: Stages of Start-ups

Stage of Start-up Financing	Product	Market
PRE-SEED	Prototype/minimum viable product	Not yet in market
SEED	Market-tested	Early revenue stage
PRE-SERIES A	Established product/ service and traction	Growth/expansion stage

The Hub would bring global standards of excellence in nurturing the start-up in its project preparation and investment readiness. The ultimate objective would be to provide a pipeline of investable companies to the Venture Capital (VC) fund, closely aligned with the Fund's investment criteria.

The Venture Capital (VC) fund would be a purely commercial and independent fund, managed by a private, experienced Fund Manager as General Partner (GP) of the VC fund, and commercial investors made up of domestic and international capital, as Limited Partners (LPs). The Fund would work closely with the Hub (Incubator/Accelerator) in identifying promising African start-ups, for selection into the cohort program. The fund will be flexible enough to adapt on the basis of the merits of the business, the team, scalability and impact potential.

The Venture Capital (VC) fund, as per its investment thesis and governance structure, could make investment allocations during the course of the cohort programme and at the concluding Demo Day, when the VC fund would invite other investors to also invest in the start-ups that emerge from the support programme.

The VC fund's early-stage investment would be based on ticket sizes according to the stage of start-up financing, with ranges of investment shown below:

Table 2: Investment Ticket Sizes by Stage of Start-ups

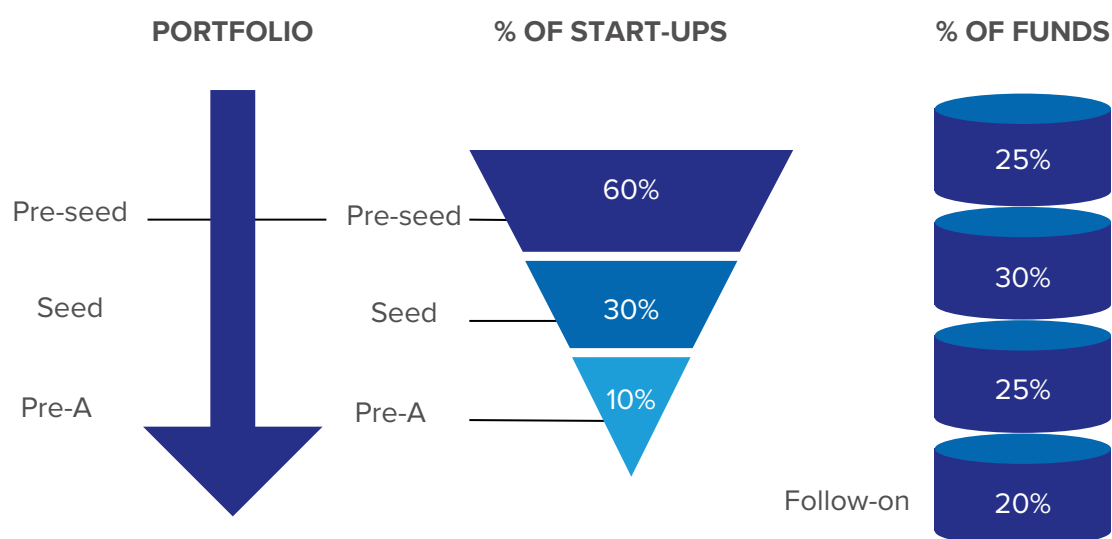
Stage of Start-up Financing	Ticket Size	Investment basis
PRE-SEED	\$ 50,000	Standard instrument with fixed valuation
SEED	\$200,000–\$500,000	Negotiated case-by-case
PRE-SERIES A	\$500,000–\$1,000,000	Negotiated case-by-case

The VC fund would develop and use a standardized investment instrument, such as a customized SAFE (Simple Agreement for Future Equity) or a Convertible Note (with option to convert from loan to equity), or other instruments. These would suit the transaction to enable it to make fixed investments at scale in a large number of Pre-Seed start-ups, while negotiating on a case-by-case basis with start-ups at Seed and Growth stages.

As rule of thumb, the Portfolio Strategy of the VC fund could be to make a bigger number of small ticket investments (\$50,000) at Pre-Seed stage to 100% of the start-ups, representing 60% of the total number of start-ups in the Start-up Builder. The allocation of the total fund in the Pre-Seed investments could be 20–30%. A smaller number of Seed investments could be made (\$200,000–\$500,00), with Seed stage start-ups representing 30% of the total number of start-ups in the Hubs. The allocation of the fund to Seed investments would be around 20-30%. Finally, a smaller number of Pre-Series A investments (\$500,000–\$1,000,000) could be included, with Pre-A stage start-ups representing 10% of the total in the Hub (Start-up Builder: Incubator/Accelerator), and the allocation of the total Fund to Pre-A investments amounting to 25%. Finally, the Venture Fund would set aside 20% (sometimes more 25–30%) of its total funds for follow-on investments.

In estimation, this Portfolio Strategy represents a funnelling model in which the VC fund would ideally invest widely in a large base pipeline at the earliest and riskiest stage, with the objective of making follow-on investments as some of the start-ups grow and scale. This approach is shown schematically in the figure below.

Figure 4: Venture Fund Portfolio Approach



The difference with existing approaches in Africa is the often observed in the misalignment between the entrepreneur support organizations (hubs, incubators and accelerators) and the venture funds seeking investable projects. This is due to the funding structure of entrepreneur support organizations (ESOs), usually on the basis of grants from donor agencies and/or governments, without alignment or a service provider arrangement with a VC fund.

In this case, the two entities, Start-up Builder and Venture Fund, are aligned within a thematic symbiosis close to the Hub. The management of the Hub would be competitively bid out for the Start-up Builder and a collaboration made up with a VC fund Manager (the Fund Manager are selected by the investment committee from the Foundation).

Another core feature of the timbuktoo structure is that the operations of the Start-up Builders (the Hub) are mainly funded by the timbuktoo Africa Innovation Foundation, with catalytic capital. This provides a pipeline of high-potential investable start-ups to the Venture Fund, with the Hub able to negotiate terms of equity for the start-ups invested.

Beyond this incentive to the Foundation's private investors, the Foundation injects capital representing 20% of the total Venture Fund amount in the form of de-risking capital into the VC fund. This de-risking capital could be structured as Patient Capital, First-Loss Capital (FLC) or other instruments of de-risking or impact factored return enhancement, thus **providing further incentives for private investors to bring in 80% of the funds for an early-stage risk capital investment fund.**



Structure of Funds

The Catalytic Fund housed at the timbuktoo Africa Innovation Foundation is aimed at \$350 million over 10 years, while the total of 10 Venture Funds is projected at \$850 million over 10 years — with \$200 million from the timbuktoo Africa Innovation Foundation as catalytic capital injection, and \$650 million in commercial capital.

The Foundation is envisaged as an Evergreen Fund, with returns re-invested into the structure. The Founding Partners include hosting Member States, pan-African entities (AfroChampions, AfriLabs and Africa Development Solutions.) The Charter offers room for additional Founders, including African Financial Institutions, corporates, philanthropic foundations, family offices, host governments and development partners. The Foundation would inject \$120 million over 10 years into the operations of the 10 Start-up Builders, as well as \$200 million in de-risking method into the 10 Venture Funds.

In addition, the Foundation finances \$30 million for 10 years to run the operations of the Headquarters of the timbuktoo network (The timbuktoo Headquarters), with the following services: strategic and technical advisory services to the foundation, communicating impact stories, the annual timbuktoo Start-up Summit, SDG and environmental, social and governance (ESG) technical advisory, knowledge/data platform, expertise from Experimentation and Exploration from UNDP Accelerator Labs and Policy Dialogue. This \$30 million would also support the expansion of the University Innovation Pods (UniPods).

The Venture Funds in each vertical are defined as sector focused. They will raise commercial funds with private domestic and international investment partners, with fund amounts depending on the sector. In total, the Venture Funds are expected to mobilize \$650 million of commercial capital over 10 years, which — combined with the de-risking capital from the Foundation — amounts to a total of \$850 million. The Venture Funds would aim to lead rounds with additional financing partners, particularly in growth stage investments. While it is understood that the Hubs will work with one Venture Fund, it is also foreseeable that several could present collaboration opportunities, especially as the Hubs welcome more diverse portfolios in addition to the principal sector of focus. The role of angel networks will also be explored in the operational phase, with a view to assessing how they can contribute to attaining the projects' goals.

The timbuktoo Africa Innovation Foundation will be governed by a Council, appointed by the Founders of the Foundation. The Council will competitively select a professional CEO and a Fund Administrator to execute the decisions of the Council with regard to fund allocations by the Foundation.

Figure 5: Structure of Funds



The fund model



HQ—by UNDP

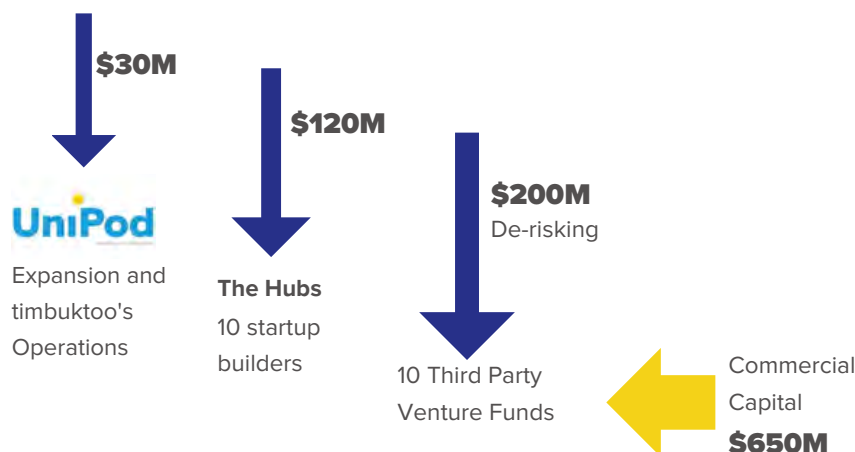
Exclusive Service Lines:

- Strategic Advisory Services to the Council
- Technical Advisory Services to the Foundation
- Communicate Impact Stories
- Annual timbuktoo Startup Summit
- SDG/ESG Technical Advisory
- Knowledge/Data Platform
- Expertise on Experimentation and Exploration From UNDP Accelerator Labs
- Policy and Public Private Dialogue
- Fast tracking Hub Creation



Africa Innovation Foundation (the Foundation)

Philanthropy
Corporates
Govts
Donors
AFIs/IDIs/DFIs



Hub Sites and Mapping of Industry Verticals

The distribution of timbuktoo Innovation Hub locations and mapping of industry verticals/sectors are shown in the figure below. The selection of sites is based on an ecosystem assessment and stakeholder consultations to determine whether Hub requirements are met. These requirements include:

- Critical mass of start-ups, ecosystem partners and investors in the local start-up ecosystem;
- Early start-up successes;
- Conducive policy environment and start-up-friendly regulations, including tax and regulatory sandbox;
- Free capital flows;
- Ease of doing business;
- Infrastructure (power and Internet);
- Pan-African Start-up Visa and extension of regulatory and tax incentives to non-domestic start-ups; and
- Host country commitment to timbuktoo, including contribution to catalytic fund.

The mapping of industry verticals to each site are based on an assessment of local activity and stakeholder consultations with key partners, including government.

Figure 6: timbuktoo Innovation Hubs and Vertical Mapping



University Innovation Pods (UniPods)

The timbuktoo Innovation Hubs intend to provide a pipeline of start-ups that originate — especially in less mature ecosystems — in the establishment of University Innovation Pods (UniPods). To achieve this timbuktoo has worked from 2022 to establish innovation spaces in top public technical universities with a global class MakerSpace, Design Lab, and collaborative workspace. TRAC-2 funds administered to UNDP Country Offices in low-income countries (LICs) and selected middle-income countries (MICs) were used.

UniPods encourage innovative prototype development in all the timbuktoo areas of focus, and equipment is tailored to 3D printing, laser cutting, metalworking, electrical and mechatronic, augmented and virtual reality, waste processing, food and agri-processing, textiles and creatives, woodworking, plastics and many others.

Presently in its third year, UNDP RBA has invested a total of **\$12.6 million** TRAC-2 Funds in UniPods in 13 countries. Six UniPods have already been launched – redefining the role of university research and development (R&D) in driving key industries on the continent. Governments have made significant in-kind contributions by providing UniPod locations in the form of land or an existing building. All six launches have enjoyed support from the highest level. The UniPod network is also gaining recognition at the regional level, with UniPod innovators representing their countries in continental initiatives under the AfCFTA to showcase their businesses (such as at the annual YALDA summit, held in South Africa in February 2024). The UniPod networks aim to achieve a 100% launch rate of the first 13 UniPods by the end of Q3 2024.

Table 3: Launch status of timbuktoo UniPods

Launched	To Launch in 2024
1. Malawi 2. Mali 3. Rwanda 4. Zambia 5. South Sudan 6. Uganda 7. Benin	1. Liberia 2. Mauritania 3. Sierra Leone 4. Togo 5. Guinea (Conakry) 6. Lesotho 7. Botswana 8. Gabon 9. Gambia 10. Burundi 11. Burkina Faso

Building on UNDP’s investment in establishing the first 13 UniPods, the Foundation will allocate part of the Catalytic Fund’s \$30 million to expand the UniPods network across the continent — creating a pan-African R&D network covering 55 countries. The general costs linked to establishing a UniPod, as well as its yearly operations, will be calculated based on UNDP’s experiences in setting up the initial 13.



UNDP Role in timbuktoo

UNDP’s principal role in timbuktoo is to convene the main stakeholders and partnerships that will establish and run the timbuktoo Africa Innovation Foundation as an independent legal entity. In addition to facilitating the registration of the Foundation, UNDP will provide services through a Development Services Agreement with the timbuktoo Headquarters. This will service both the Foundation and the Hubs, as well as support the network of UniPods. The following services that be provided under the Development Services Agreement modality:

- Strategic and technical advice to the Foundation, including the Council and other entities of timbuktoo;
- Communicating impact stories: tracking start-ups and creating narratives of impact through dynamic tools including podcasts, timx events, videos and more. There will be two target audiences. The primary audience consists of the main actors, such as governments, investors and corporations. The secondary audience consists of entrepreneurs and entrepreneurship support organizations.
- The Annual timbuktoo Start-up Summit: attracting start-ups, investors, hubs and other stakeholders for networking and awareness creation. Other major gatherings will also be included in this service line.
- SDG/ESG Technical Advisory, including SDG Impact Measurement and Management (IMM) and SDG Alignment Toolkit (with UNDP Sustainable Finance Hub).
- Expertise on Experimentation and Exploration from UNDP Accelerator Labs.
- Policy and Public Private Dialogue. Convening all key stakeholders to advance the policy agenda linking innovation and development, leveraging on existing UNDP initiatives and working with UNDP country offices to influence policy on the start-up bill, immigration incentives and advancing intra-African trade (AfCFTA) while advocating for a conducive business environment.
- Knowledge/Data Platform: creating a data tracking platform that provides analytics on the types of start-ups, their focus, the investment deals, types of investors and the outcomes, as well as a repository of the kinds of innovations and solutions emerging (with external partners and UNDP Accelerator Labs).
- Monitoring and Evaluation: on Hub performance and evaluating outputs and outcomes.
- Leveraging youthconnekt as a platform for driving the timbuktoo initiative

UNDP will not engage as a founder or shareholder of the Foundation or any Venture Funds. Similarly, UNDP will not be a member of the timbuktoo Africa Innovation Foundation Council or other governance bodies. UNDP will offer advice, based on the services provided by the timbuktoo Headquarters — which UNDP will manage as an extension of the UNDP Rwanda Country Office.

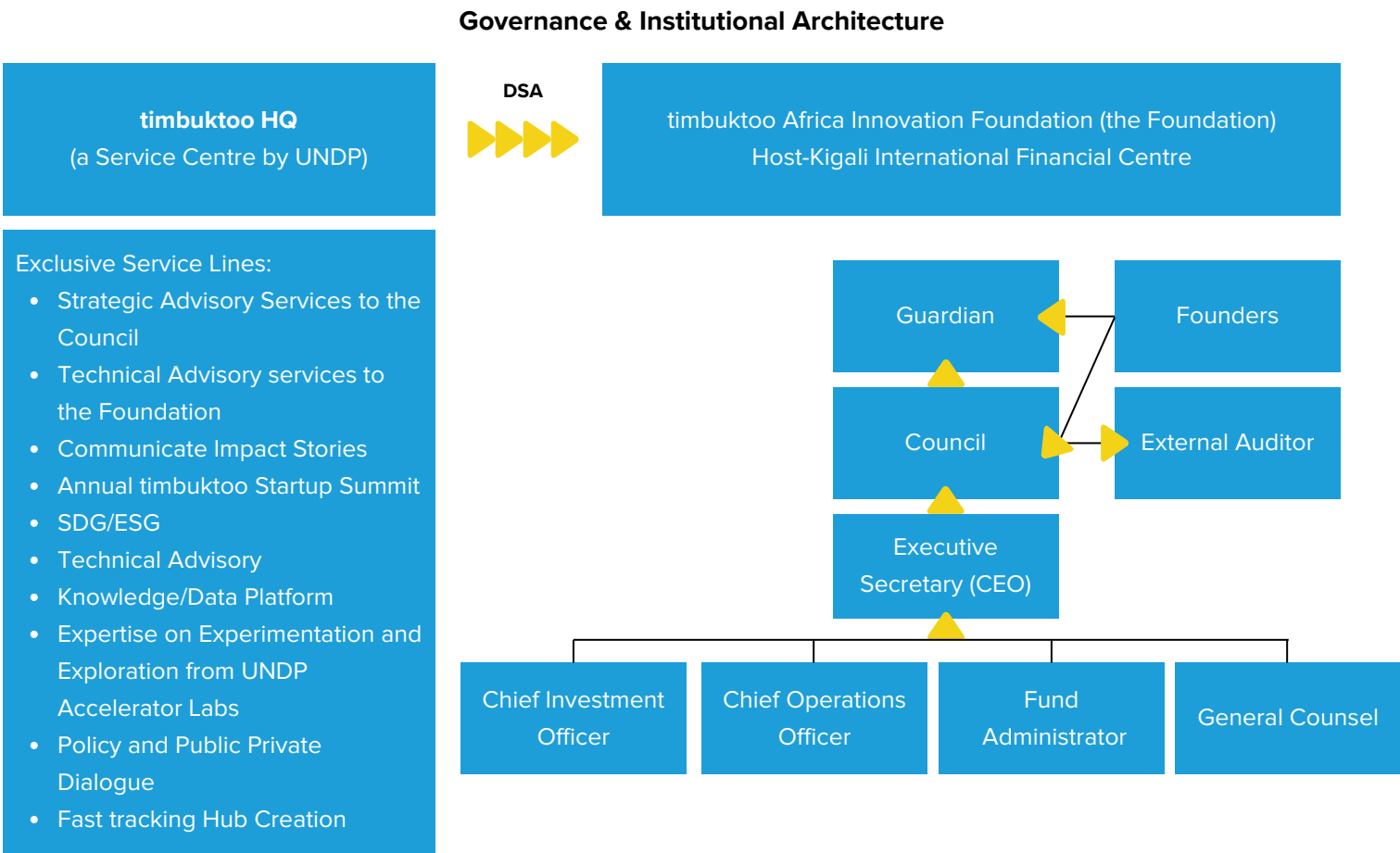


Another important role that UNDP will play is to leverage the potential contribution of other UN entities, and forging connections with policymakers and the private sector. UNDP will bring its capacities from the Sustainable Finance Hub on SDG alignment and investor mapping, as well as its networks and partnership with the AfCFTA Secretariat, and mobilize both international and local partners for timbuktoo. The Foundation's ability to operate and maintain its relevance will depend a lot, in the early phase, on its relationship with UNDP. Because of this, UNDP will lend its support to ensuring the institution succeeds, through the Development Services Agreement Modality. To carry out the provisions of the Development Services Agreement with the Foundation, UNDP's role will involve coordination and alignment between several bureaux listed below, under the focal point leadership of the Regional Bureau for Africa (RBA):

- Regional Bureau for Arab States (RBAS);
- Sustainable Finance Hub;
- Accelerator Labs;
- Bureau for External Relations and Advocacy (BERA);
- Bureau for Management Services (BMS); and
- Bureau for Policy and Programme Support (BPPS).

The various Development Services and links with UNDP are depicted below.

Figure 7: UNDP Role in timbuktoo — Development Services and Relation to the Foundation



III. THEORY OF CHANGE

The Theory of Change driving timbuktoo is shown below.

Table 3: timbuktoo Theory of Change

THEORY OF CHANGE: timbuktoo			
IF ...	THEN...	LEADING TO...	CONTRIBUTING TO...
• Key bottlenecks in African innovation ecosystem are addressed. • Early-stage risk capital is made available and increased. • Improved start-up support is provided. • Start-up policy and regulatory climate is improved. • Access to pan-African market is increased.	• The number and quality of pan-African start-ups solving key development challenges will increase. • African start-ups will scale up their activity. • More innovations will be produced at scale. • Same as above. • Same as above.	• Innovative products and services across diverse sectors readily available to the market or end users. • Increased industrialization and job opportunities for youth across Africa • Same as above. • Same as above. • Same as above.	• Improved livelihoods. • Measurable impact in terms of jobs created, improved economic growth, and progress towards the SDGs. • Same as above. • Same as above. • Same as above
Input	External factors and assumptions		
• Project management • Technical and operational staff. • Financial resources. • Tools and guidelines. • Equipment and workspace.	• Additional resources mobilized. • Capacity of timbuktoo Headquarters (run by UNDP) is enhanced to undertake these activities. • New ideas formulated and disseminated. • Willingness of stakeholders and partners to collaborate with timbuktoo Headquarters. • Socio-economic and political stability. • Political commitment to innovation and start-up access to services is maintained at the continental level. • Greater commitments of the private sector to engage in and finance development activities.		

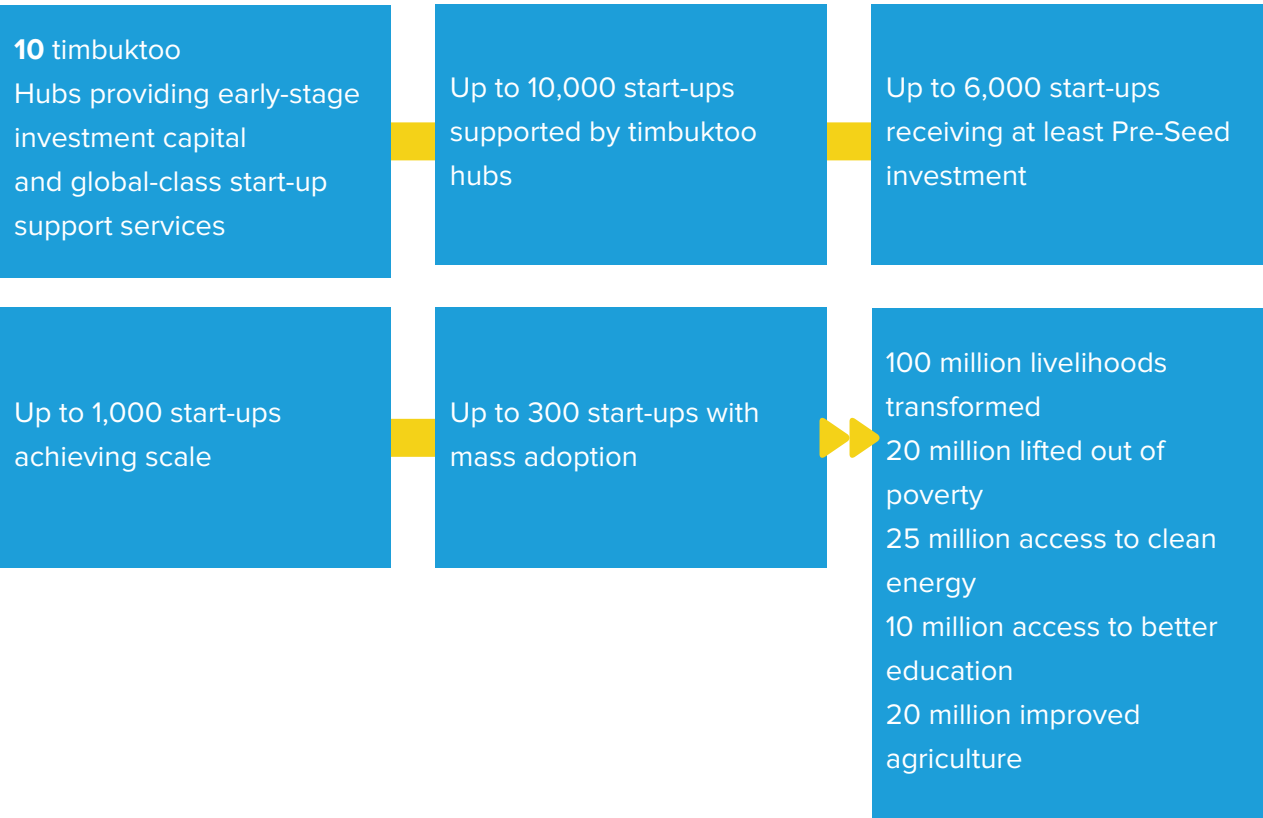
The logic behind the timbuktoo Theory of Change lies in the promise of scalability and mass adoption, which are enabled by the digital technology focus of timbuktoo-supported innovations, and the ability to leverage mobile and Internet penetration across Africa.

When introduced, mPesa, the first mobile money application at scale in Africa and a global leader, was adopted by tens of millions of unbanked East Africans as a way to circumvent the market failure of insufficient brick-and-mortar bank branches in remote areas, initially as a means of transferring money safely via airtime. Over time, the rapid adoption of mPesa led to a host of knock-on effects and livelihood-enhancing innovations, including utilities and tax payments, mobile lending, improved SME payment collection and mobile wallets. These, in turn, generated jobs, grew businesses and increased economic welfare. The rapid adoption of mPesa was enabled by digital infrastructure and the widespread use of mobile phones, resulting from earlier policies of telecoms liberalization.

The timbuktoo Theory of Change starts with the key initial drivers (Inputs) being put in place, in particular the unlocking of early-stage risk capital for a range of industries, as well as improved start-up support ecosystems and reduction of regulatory barriers — both domestically and across borders. With these elements established, significant impacts can be projected to result from technology solutions adopted at scale in health, education, agriculture, climate, trade, cities, creatives, logistics, commerce and other sectors.

Impact modelling on timbuktoo’s Theory of Change is depicted in the diagram below, with the flow of impact from inputs (at Hub level) to market-level outputs and outcomes, to economy-level impacts.

Figure 8: timbuktoo Impact Flow and estimated target parameters from Inputs to Impact in 10 years





IV. RESULTS AND PARTNERSHIPS

Goal: The overarching goal of this project is to **contribute to accelerating structural economic transformation in Africa, through supporting Africa's domestic private sector to flourish in productivity and competitiveness, servicing and providing for its expanding markets, and creating new and sustainable job opportunities**, in line with the Outcome 2 of the UNDP's Regional Programme Document for Africa 2022–2025 (that is, *African citizens, especially women, and youth, benefit from a regionally integrated, structurally transformed, and inclusive economy*).

Focus will be given to vulnerable start-up ecosystems, with limited visibility and access to capital, as well as promising start-ups run by women and youth.

UNDP aims to nurture and capacitate African start-ups for growth and international competitiveness to offer innovative products and services in response to the most pressing development needs in Africa. This will be achieved through increased visibility; capacity building; awareness raising on market opportunities, including green market potential; the promotion of direct investments into the related productive capacities; and policy support at national and regional levels.

Outcomes:

1. Establishment and operationalization of the timbuktoo Africa Innovation Foundation;
2. Creation and launch of the Hubs; and
3. UniPods as a gateway for youth to participate in the technology revolution, and as a pipeline for innovative ideas that can be incubated in timbuktoo Hubs.

The proposed objective will be achieved through activities and outputs that will collectively enable the attainment of the results anticipated by the initiative. They are listed below:

Outcome 1. timbuktoo Africa Innovation Foundation established and activities operationalized

Output 1. Establish and initiate activities of the timbuktoo Africa Innovation Foundation

Activity 1.1. Validate of the design and structure of the timbuktoo Africa Innovation Foundation, with appropriate consideration of legal and governance implications, tax and auditing requirements, diligence on partners, investment terms, as well as associated risks/portfolio/financial/impact modelling.

Activity 1.2. Facilitate the incorporation of timbuktoo Africa Innovation Foundation legal entity in a selected country.

Activity 1.3. Select and hire the CEO for the timbuktoo Africa Innovation Foundation (and the Management team).

Activity 1.4. Undertake refurbishment of the Foundation HQ.

Activity 1.5. Participate in Policy Dialogue on Innovation for Made in Africa (Kigali) event at Africa CEO Forum.

Output 2. timbuktoo HQ (a Service Centre by UNDP) established and operationalized

Activity 2.1. Set up team for the timbuktoo Headquarters — including Director of the Centre, High Representative for resource mobilization and UNDP Team (co-located at the UNDP Rwanda Country Office).

Activity 2.2. Design and provide UNDP Service Lines required for support of timbuktoo HQ.

Outcome 2: Creation and launch of the Hubs

Output 1. Hubs launched and operationalized

Activity 1.1. Set-up and operationalize Lagos FinTech Hub
The FinTech Hub in Lagos, would be a Centre of Excellence to deploy the best practices and solve pan-African challenges on financial inclusion, as well as the types of financial tools that can advance industrialization across multiple sectors in Africa. This hub will also have a focus on Artificial Intelligence.

- Action 1.2. Set-up and operationalize Kigali HealthTech Hub The Kigali HealthTech Hub will offer young innovators the opportunity to create the technology and innovations that will drive Africa's health-related industrialization. Innovations ranging from vaccines to pharmaceuticals and medical devices are intended to be made possible through the Hub.
- Action 1.3. Set-up and operationalize of Accra AgriTech Hub
The Accra AgriTech Hub will promote innovations that advance resilience in African food systems, ensuring food security and addressing climate change.
- Action 1.4. Set-up and operationalize of Lusaka MineTech Hub (critical minerals)
With the rise of electric vehicles (EVs) and renewable energy, which require lithium and rare earth minerals, mining is taking centre stage in climate action. The Lusaka MineTech Hub will build upon Zambia's endowments in the minerals sector and offer pan-African start-ups the ability to innovate for mineral-based industrialization – strengthening the prospects of making Africa's resources work for Africa's development.

Outcome 3: UniPods linked as a gateway for youth to participate in the technology revolution and as a pipeline for innovative ideas that can be incubated in timbuktoo Hubs

Output 4. UniPods operationalized and launched; develop and implement a strategy for a pan-African collaborative approach among UniPods.

- Activity 4.1. Develop and implement a strategy to embed UniPods into university operations, enhancing sustainability and strengthening R&D.
- Activity 4.2 Design and roll out of UniPod Design Challenges to foster collaboration among UniPods, leveraging their respective strengths.
- Activity 4.3 Conduct field missions for monitoring and evaluation, providing oversight and guidance to ensure the UniPod network functions as a pan-African network.
- Activity 4.4 Produce a documentary showcasing the UniPod network as pan-African centres of R&D, generating pipeline ideas for timbuktoo.

Resources Required to Achieve the Expected Results

timbuktoo is a project within the Regional Programme for Africa framework. The project will therefore harness the capacities of relevant regional teams, Global Policy Network and country offices in collaboration with external partners.

A delegation of authority will be established for the day-to-day management of timbuktoo to the Director of the timbuktoo Headquarters, under the direct supervision of the RBA Director.

A lean project team will be recruited for implementation of the Development Services to timbuktoo Foundation as mentioned above, subject to availability of resources.

Responsibilities of the various members are depicted in the table below. The team will work closely in collaboration with other regional teams/hubs and Country Offices.

Table 4: UNDP Human Resource Requirements

Estimated human resources needs for the project	Key functions / responsibilities	Funding sources
1. Director of the timbuktoo Headquarters	Strategic leadership, advice, coordination and oversight.	RP
2. Ecosystem Advisors (1 position) and Specialist (2 positions – Dakar and Kigali)	Building ecosystem and partnerships around the Hubs, with an initial focus on the ones for 2024.	RP
3. Liaison and Communications Officer	Strategic communications and liaison between timbuktoo HQ and RBA leadership.	RP
4. Ecosystem and Hub Creation Specialist	Strategic support of the operations, execution and deployment of Hub Creation.	RP
5. UniPods Innovation and Talent Manager	Oversight the Execution and Operations of the UniPods.	RP
6. High Representative on Resource Mobilization	Mobilize resources for timbuktoo.	RP
7. Programme Management Analyst	Provide day to day programme management support, including reporting.	RP
8. Operations Analyst	Provide support to operations requirements, in relation to timbuktoo, including supporting procurement needs.	RP

Partnerships and Resource Mobilization

The project will build upon and strengthen existing partnerships, including through the network of RBA Country Offices and regional teams/hubs, building on progress articulated below:

- To date, UNDP has engaged at the levels of Heads of State/Presidents, Vice Presidents, and Ministers, as well as with heads of agencies and business leaders, in Ghana, Kenya, Nigeria, Rwanda, Zambia, South Africa, Uganda, Togo, Ethiopia, Côte d'Ivoire and others. The exploratory missions have been successful, with enthusiasm expressed and commitment to engage further.
- UNDP conducted initial discussions and a roadshow to Norway, Sweden, Denmark, Finland, Germany, Netherlands, Japan, Canada and the United States, where positive signals were given to this bold undertaking.
- UNDP initiated positive discussions with bilateral development agencies, Development Finance Institutions, International Financial Institutions and donor partners.
- UNDP officially launched the timbuktoo initiative at the 2024 edition of the World Economic Forum in a high-level event convened by President Paul Kagame of Rwanda and UNDP Administrator, Achim Steiner. The event was also graced by President Nana Akufo Addo of Ghana. At this event, President Kagame made a financial commitment of \$3 million to the timbuktoo Africa Innovation Foundation.
- UNDP facilitated the process of registration of the timbuktoo Africa Innovation Foundation on 25 March 2024 – together with the Government of Rwanda through its Sovereign Wealth Fund – Agaciro Development Fund, and co-Founders (AfroChampions, AfriLabs, Africa Development Solutions). This successful incorporation positions the Foundation to commence its activities in earnest.
- UNDP will assist in fostering connections and partnerships between the private sector and the timbuktoo Africa Innovation Foundation. This will be done through events showcasing the Foundation's ongoing activities and achievements to both the private and public sector in order to secure financial and other collaborations.
- UNDP has engaged two of its specialized entities — the Sustainable Finance Hub; and the Bureau of External Relations and Advocacy (BERA) — to strengthen its resource mobilization strategy for timbuktoo. This aims to harness UNDP's capabilities effectively, ensuring the right engagements are secured in the most appropriate way.
- UNDP has engaged a high representative for resource mobilization, who has commenced a roadshow. Frequent interaction also takes place with Rwanda's Permanent Representative in New York and the Government of Rwanda, in Kigali, to support resource mobilization.



Risks and Assumptions

There may be some financial, operational, political and organizational risks linked to the sectors involved in the implementation of the project. The main risks are programmatic, operational and reputational. Various mitigation measures are noted below.

Table 5. Risks and Mitigation

Risk	Mitigation
Change of government, or sudden policy changes or reversals in the timbuktoo Africa Innovation Foundation or Hub host countries could prevent or derail timbuktoo activities.	Selection of Hub host countries and Parent Fund domiciling within Africa is undertaken based on a rigorous and objective evaluation of various jurisdictions in terms of the maturity of their ecosystems, track record, policy and regulatory framework, rule of law, and other third-party rankings on country risk, as well as qualitative assessments based on key informant interviews and trends analysis. A Host Country Agreement that would envisage all scenarios and consider appropriate protections would be agreed between the Foundation and the Host Government, and signed by the parties.
The domiciling of the timbuktoo Africa Innovation Foundation in one country may discourage or prevent participation by potential funding partners.	Diversification of investor base to include local investors, domestic institutional funds, and global investors from across various regions, not limited to one region, may help in buffering against single or dominant investor perceptions. In addition, the hosting of Hubs in nine other locations based on the verticals is another part of the mitigation strategy. Ultimately, the Charter that was incorporated for the Foundation has the possibility to shift domicile in weighty circumstancing warranting the same.
African member states involved in the timbuktoo Africa Innovation Foundation could exert political pressure or bias in the conduct of the Council and the implementation of the Foundation's work.	Clear Council guidelines will be prepared, to be approved at its first seating. Engagement of state-backed institutions such as development banks, rather than the government itself as Founders, will be key.
It may be difficult to obtain relevant data for M&E and strategic assessment from the Hubs, thus limiting the ability of UNDP to provide guidance and/or learning for the initiative.	Embedding an M&E officer in each Hub may facilitate the collection and flow of data and information to the HQ, or alternatively establishing an M&E portal or dashboard for use by Hub managers to enhance data flow. In addition data collection activities will be integrated as part of the programme implementation.

Risk	Mitigation
Delays with the establishment/operationalization of the Hubs may affect kick-off of the initiative, thereby affecting momentum.	UNDP will work innovatively, building on existing and new partnerships to support the fast tracking of Hubs. UNDP will leverage its existing in-house expertise and the 13 UniPods to fast track the establishment of four Hubs in 2024 as a proof of concept.
Insufficient funding may result in implementation gaps and loss of established capacity/momentum.	UNDP will negotiate with partners to allow flexibility to build on existing investments in innovation hubs to adapt a timbuktoo character. Results from the UniPods and the Lagos FinTech Hub will be used to further showcase success and attract more funding. Key partners will be mapped, with engagement plan for effective resources mobilization.
timbuktoo Hubs fail to take off because they cannot find high-quality start-ups to incubate.	Pre-timbuktoo ecosystem mobilizing and capacity building at the country level by UNDP country offices is important to address gaps in the pipeline of quality start-ups attracted to timbuktoo, as well as collaboration on the sourcing of start-ups and pre-screening.
Highly qualified start-ups are offered better investment terms by other funds who poach them, reducing the returns to the funds.	Poaching of top-quality deals can be mitigated by enforcing a Hub-Start-up Contract, in which the start-up agrees to grant the “Right of First Refusal” (ROFR) rights to the venture fund, to ensure that any other investment deal they receive must first be offered to the hub venture deal as a condition of receiving services in the Hub.
Insufficient due diligence or wrongful intent leads to fraudulent or criminal activities at either the Foundation or Hub level, such as misappropriation of funds, investment in prohibited activities, money-laundering or other nefarious activities	An external, reputable international audit firm would undertake detailed annual audits of all Foundation and Hub operations. Alongside this, UNDP HQ would provide an annual strategic assessment of adherence of the timbuktoo implementation to its foundational principles, and the justification for adjustments and pivots, based on updated learning. This could also include a review of the governance and other structural matters. In addition, the Parent Fund Administrator would be evaluated periodically on the basis of the contractual obligations and, similarly, Hub managers would also undergo regular performance checks by the Council.

Risk	Mitigation
UNDP's role in the HQ is perceived as a conflict of interest in that UNDP is also the promoter of the initiative, and thus not an arm-length relationship.	UNDP is taking a careful approach to avoid interfering with the internal governance structures of the Foundation. This is key in setting arrangements up with the right tone, from the beginning. Communication is also a critical part of managing this risk. Therefore, an external and internal communications strategy will be designed, which clearly positions UNDP's roles and highlights the limits of UNDP's engagement and liability. In addition, an internal Conflict of Interest Guideline will be developed to explicitly delimit areas of concern and reputation management, and ensure that all UNDP staff and collaborators including independent contractors working on timbuktoo operate according to the right ethical standards.
Risk of reputational damage to UNDP in the event of one of the private sector partners being in the news for negative news and or activities. This risk is amplified by the fact that the project has multiple activities that engage private sector partners.	UNDP will enforce stringent due diligence processes to ensure that all private sector partners it collaborates with on timbuktoo do not have a history of activities that could implicate UNDP if discovered. In addition, regular media checks will ensure that UNDP is always prepared to address any negative incidents involving the private sector partners, if they are to occur.

- The main assumptions are as follows: shocks such as civil unrests, natural disasters, pandemics, etc. in Africa do not shift the attention of all stakeholders away from the continent's integration agenda, including through the establishment of the pan-African start-up ecosystem, trade and investment promotion, and SME development.
- National governments and regional institutions have strong political will to advance inclusive private sector development in support of Agenda 2030.
- Sufficient resources — both financial and human — including through partnerships, are availed to support the delivery of project activities.
- Peace and security across African borders are maintained or restored to ensure smooth trade of goods and services.
- A Comprehensive Risk Analysis Matrix/Risk Register is provided in Annex 3.

Stakeholder Engagement

The main beneficiaries in this project are the promising start-ups, designed and run predominantly by youth and female entrepreneurs, lacking the visibility and thus financing opportunities for scale-up. Indirect beneficiaries also include wider population groups across Africa – potential users of the newly developed products and services, with overall positive effect on the quality of their lives. Other stakeholder groups include national governments, regional institutions, international and regional development banks, private investors, venture capitalists, international development agencies and donor countries.

Table 6: Stakeholder Matrix

Stakeholder Name	Impact How much does the project impact the stakeholder? (low, medium, high)	Influence How much influence do they have over project?	What is important to the stakeholder?	How could the stakeholder contribute to the project?	Risk that can potentially undermine the project objective	Strategy for engaging the stakeholder
Govt. of Rwanda	High	The Headquarters (timbuktoo Headquarters) and timbuktoo Africa Innovation Foundation are located in Kigali, therefore the Rwandan government would have a high degree of influence.	Rwanda is looking to position itself continentally as the best place to do business. Hence, they would prioritize this strategic agenda.	Rwandan government can contribute financially, through mobilizing political support for the initiative, and also providing favourable tax and other incentives.	Change of government. Conflicts with other countries critical to the Project.	Ongoing discussions via the Country Office, the PR in New York and the Minister Responsible for ICT, as well as the Kigali International Financial Centre.
Govts of Ghana, Nigeria, Kenya, Zambia	High	Given that timbuktoo is a pan-African start-up ecosystem support, it is anticipated that there will be a high degree of influence from other African countries, particularly those hosting Hubs.	For African countries, economic growth is the main priority. Recently, there has been a high drive to grow start-ups therefore support is likely to remain sustained.	Other African governments can support by hosting hubs and seeding the Foundation.	Hostilities with neighbouring countries (if any) could disrupt hub functionality.	Ongoing discussions via the respective UNDP Country Offices, the PRs in New York and the respective Ministers Responsible for ICT.

Non-African governments	Medium	Given that there is a strong interest in Africa, it is anticipated that many non-African governments will be looking to support timbuktoo at several phases.	For many African supporters, seeing timbuktoo as an initiative that can transform the continent is likely to encourage support of the initiative.	It is anticipated that many countries will offer to fund the Foundation. Resource mobilization is a major aspect of the execution phase.	Conditionality of donor resources may affect the pace of progress of the Hubs.	Continual negotiations with donors, especially those that have a more regional character in their approach, will be a key part of the engagement strategy.
DFIs and Sovereign wealth funds and endowment funds	Low	At the moment, these stakeholders do not have a lot of influence on the initiative. But it is anticipated that once they make investments into the venture funds, this stakeholder category will want to influence the project, especially through the Council.	Return on investment and impact.	This group of stakeholders will be the main investors in the venture fund.	If they pull out their investments during economic turbulence, that will be a concern. Also, if one of the entities in this category is involved in a scandal, this could threaten the success of the project overall.	Continual engagement with these stakeholders, sharing success stories to demonstrate the development impact so that they can see that their investments are leading to the impact they are looking for.
Institutional investors	Low	Same as above	Same as above	Same as above	Same as above	Same as above



South-South and Triangular Cooperation (SSC/TrC)

The proposed project will draw extensively on the United Nations framework for South-South Cooperation, which aims to strengthen partnerships between nations. Aligned with UNDP's strategy on SSC/TrC, this project will serve as a crucial platform for countries to collaborate through joint studies, sharing knowledge and working together towards establishing a pan-African start-up ecosystem. Furthermore, the project will promote inclusive private sector development to achieve the SDGs through collective efforts.



Digital Solutions¹¹

timbuktoo will promote the development of digital technologies and solutions for addressing the most pressing development needs and uptake of newly developed digital products and services by wider population groups. timbuktoo will advance the development of digital technologies and solutions to address critical development needs. This goal will be achieved through the support of nine Innovation Hubs, namely: Fintech, Healthtech, Agritech, Creatives, Greentech/energy/climate, Tradetech/logistics, Smart cities/mobility, Tourismtech/edtech and MineTech.

To capture the progress and the overall project performance, an array of digital tools, such as a start-up online data tracking platform, will be utilized to help facilitate the development, deployment and dissemination of innovative digital solutions.



Knowledge

timbuktoo will produce and distribute various knowledge tools, including analytical documents, technical papers, best practices, guidance notes and reports, to all relevant stakeholders. These knowledge tools will be developed in collaboration with local researchers, experts and stakeholders from the participating countries. UNDP will support the engagement of experts and researchers to conduct both regional and country-specific studies on the development of an inclusive private sector, including the establishment of a pan-African start-up ecosystem as needed. In addition, UNDP will collaborate with think tanks, research institutions and civil society organizations to generate a comprehensive and expanded knowledge base on the subject matter.



Sustainability and Scaling Up

The timbuktoo initiative is expected to evolve and grow. In this Execution Phase, UNDP will sustain the momentum and support the establishment and operationalization of the timbuktoo Africa Innovation Foundation, and four hubs (in 2024). UNDP's role will be mainly through the provision of development services through the timbuktoo Headquarters, for the initial period of the project document (subject to review). The potential scale-up of the timbuktoo initiative over a 10-year period is estimated to be through mobilization and investment of \$1 billion of public and private capital into 1,000 African start-ups in multiple markets.

The sustainability of the Foundation is assured by the model of the Evergreen Catalytic Fund, in which the returns from the funds will go back to the Foundation. Building on the experience of implementation, a sustainability plan for the Hubs and Unipods will be developed and implemented. This is envisaged to kick in after learnings following two years of operations.

¹¹ See the [Guideline "Embedding Digital in Project Design"](#).

V. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

The project is designed to accommodate the inception activities during the first three years of its implementation, and allow for the smooth launch of **timbuktoo** initiatives. Initial funding will be provided through annual allocation from the Africa Regional Programme and Japan Supplementary Budget, as well as other partnerships emerging in the Execution Phase.

The project will maintain a small implementation team and engage external contractors for the delivery of project outputs as appropriate. In addition, the project will rely on and use existing capacities at the regional and HQ levels — Regional Programme team for Africa, Africa Finance Sector Hub, TICAD Unit and RBA HQ team.

Additional resource mobilization efforts will be undertaken to secure sufficient funding for the project operations in view of the potential demand following establishment of the Foundation.

Project Management

The project will be implemented in accordance with the UNDP Programme and Operations Policies and Procedures (POPP) related to Development Services, under the Development Services Agreement modality. It is aligned with the Regional Programme Document for Africa and its Accountability Framework. The RBA Director, working together with the Director of the Regional Bureau for Arab States (RBAS) **will co-chair the Project Board**, providing overall strategic guidance and direction to the project. The Director of RBAS will have the opportunity to assign a staff member to support the Headquarters to ensure that matters concerning countries in that region hosting hubs are well catered for. A Director for the timbuktoo Headquarters will be hired to lead overall coordination and management of the project, in line with the accountability framework of the Regional Programme for Africa.

The Director will draw on technical expertise from all relevant teams in UNDP, including Central and Regional Bureaux, Country Offices, Sustainable Finance Hub (SFH), Accelerator Labs, etc. to strengthen a specific area as needed.

The Director will facilitate periodic meetings with the RBA Directorate, and selected technical teams, from the RBA including the Regional Hubs, and UNDP Resident Representatives, if/when required.

¹² timbuktoo is primarily managed by RBA, RBAS participating countries will maintain their primary reporting line to the RBAS Director



VI. RESULTS FRAMEWORK¹²

Table 7. Results Framework

Intended Outcome as stated in the Regional Programme for Africa Results and Resource Framework: Outcome 2: African citizens (especially women, and youth) benefit from a regionally integrated, structurally transformed, and inclusive economy.
Outcome indicators as stated in the Regional Programme for Africa Results and Resources Framework, including baseline and targets: Proportion of small-scale enterprises benefiting from the African Continental Free Trade Agreement (AfCFTA), disaggregated by sex and age of ownership. Baseline: Women: 0%; Youth – 0%
Applicable Output(s) from the UNDP Strategic Plan: 1.3. Access to basic services and financial and non-financial assets and services improved to support productive capacities for sustainable livelihoods and jobs to achieve prosperity E.3. Public and private financing for the achievement of SDGs expanded at global, regional and national levels
Project title and Number: Support towards the establishment of pan-African Innovation Ecosystem Financing Facility

¹² UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

EXPECTED OUTPUTS	OUTPUT INDICATORS ¹³	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHOD	DATA COLLECTION RISKS
			Value	Year	Year 1	Year 2	Year 3	FINAL		
Output 1 Establish and Initiate activities of the timbuktoo Africa Innovation Foundation	1.1. Legal entity for timbuktoo established and registered in a selected country	Internal	No legal entity exists	2024	Foundation Registered				Charter incorporating the timbuktoo Africa Innovation Foundation	None
	1.2. Volume of financial resources mobilized from funding partners for timbuktoo launch and operationalization	Internal	\$3M	2024	\$40 M	\$30 M	\$30 M	\$100 M	Project reports demonstrating soft and hard pipeline on resource mobilization.	Failure to standardize reporting method/template.
Output 2 Establishment and Operationalization of the timbuktoo HQ (a Service Centre by UNDP)	2.1. timbuktoo HQ team structured and set-up to provide full-scale support for the advancement of pan-African Start-up Ecosystem	Internal	No team exists	2024	Fully operational team				Project reports, on recruitment of team at HQ, and implementation of the DSA – related actions/activities	Timely negotiation of DSA with the Foundation (which will depend on shifting priorities)
	2.2. # of timbuktoo performance reviews conducted	Internal	0	2024	2	2	2	6	Mid-year and annual performance review reports	Failure to conduct the two reports based on volume of work in the early phases of implementation
	2.3. # of start-ups trained on the application of SDG-aligned Impact Measurement and Management tools (disaggregated by ownership)	Internal	0	2024	50	50	50	150	Project reports, IMM tools per hub	Non – structured/standardized approach to reporting

¹³ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

EXPECTED OUTPUTS	OUTPUT INDICATORS ¹³	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHOD	DATA COLLECTION RISKS
			Value	Year	Year 1	Year 2	Year 3	FINAL		
	2.4. # of start-ups capacitated through mentorship, advisory support, business skills training, improved visibility and partnership opportunities	Internal	0	2024	100 Youth:60% Women:40%	100 Youth:60% Women:40%	100 Youth:60% Women:40%	300 Youth:60% Women:40%	Project reports, start-up surveys and testimonials	Non – structured/ standardized approach to reporting.
	2.5 # events organized between start-ups and investors	Internal	0	2024	3	3	4	10	Project reports, events reports, start-up surveys	Non – execution for multiple reasons including vast work involved in the early phase of setting up the hubs, UniPods.
	2.6. # of data-driven tools, platforms and analytical reports developed and launched to enable better tracking, engagement and performance-monitoring of pan-African start-ups	Internal	0	2024	1	1	1	3	Annual project reports	None
	2.7 #Statup Scaling up at about 50 – 60% of 2.4 indicators.	Internal	0	2024	50	50	50	150	Annual Hubs reports	Non - Standardized templates to conduct the assessment
Output 3 Operationalization and launch of the hubs	3.1. # of innovation hubs launched in selected countries	Internal	0	2024	4	-	-	4	Hub setup and running	Delay in set up based on unforeseen variables
	3.2 . # of selected countries with the detailed start-up ecosystem	Internal	0	2024	4	5	-	9	Validation workshop reports	Delay in production of reports based on delayed launches.

EXPECTED OUTPUTS	OUTPUT INDICATORS ¹³	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHOD	DATA COLLECTION RISKS
			Value	Year	Year 1	Year 2	Year 3	FINAL		
	assessments completed and validation workshops hosted									
Output 4 Scaling of Hubs to pan African level for the purpose of advancing Made in Africa	4.1 # of start-ups that have scaled and operating beyond the borders of their country of origin	Internal	0	2024	25	50	75	150	Annual Hub Reports from the AfCFTA desk officers stationed at the Hubs	Non - Standardized process
Output 5: Operationalization and launch of UniPods; Develop and implement a strategy for a pan African collaborative approach among unipods.	5.1 # of UniPods launched and operationalized	Internal	6	2024	4	6	-	10	Launch Events and Operationalization Reports	Delay in post launch operationalization of activities.

VII. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans, as shown below.

Table 8. Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	UNDP	N/A
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	UNDP	N/A
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	UNDP	N/A
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	UNDP	N/A
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	UNDP	N/A
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		UNDP	N/A
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	UNDP	N/A

Table 9. Evaluation Plan¹⁴

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	RPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Evaluation	UNDP	1.3. Access to basic services and financial and non-financial assets and services improved to support productive capacities for sustainable livelihoods and jobs to achieve prosperity E.3. Public and private financing for the achievement of SDGs expanded at global, regional and national levels	Outcome 2: African citizens (especially women, and youth) benefit from a regionally integrated, structurally transformed, and inclusive economy.	31 December 2026	UNDP Central and Regional Bureaus, Regional Service Centres for Africa, Country Offices, National Governments, pan-African start-ups, financial institutions, investors and development partners	\$50,000.00 (UNDP)

¹⁴ Optional, if needed

VIII. MULTI-YEAR WORK PLAN 15 16

Table 10. Multi-Year Work Plan Year 1 to 3:

timbuktoo Multiyear Work Plan									
EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget per Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		2024	2025	2026	2027			Funding Source [1]	Budget Description
Outcome 1: Establishment and operationalization of the timbuktoo Africa Innovation Foundation									
Output 1: Establish and Initiate activities of the timbuktoo Africa Innovation Foundation	Activity 1.1 Validation of the designing and structuring of the timbuktoo Africa Innovation Foundation with appropriate consideration of the legal and governance implications, tax and auditing requirements, diligence on partners, investment terms, as well as associated risks/portfolio/financial/impact modelling	150,000				RBA	JSB (Japan)	Consulting Firm	150,000
	Activity 1.2 Facilitating the establishment of timbuktoo Africa Innovation Foundation legal entity in a selected country	50,000				RBA	RP RBA	Travel, consultant	50,000
	Activity 1.3 Select and hire the CEO for the timbuktoo Africa Innovation Foundation, CIO, COO, Fund Administrator	339,031 ¹⁷	1,113,223 ¹⁸	1,113,223		RBA	RP RBA	Salaries	2,565,477
	Activity 1.4 Refurbishment of the Foundation HQ	200,000				RBA	RP RBA	Renovations, Furniture	200,000

¹⁵ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

¹⁶ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

¹⁷ Salary calculated based on UNDP 2024 IPSA Proforma with Executive Secretary at IPSA 14, Senior Investment Advisor at IPSA 12 and Operations Execution Manager at IPSA 11 (from June – December 2024).

¹⁸ Salaries are based on UNDP 2024 IPSA and Fixed term proforma – to include, in addition to the 2024 capacities, the Chief Investment Officer, Chief Operations Officer and the Special Advisor to the Executive Secretary (from January – December 2025).

	Activity 1.5 Policy Dialogue on Innovation for Made in Africa (Kigali) Side event on the margins of Africa CEO Forum	30,000	50,000	50,000		RBA	JSB (Japan)	Travel, Events, Venue	130,000
	Sub-Total for Output 1	769,031	1,163,223	1,163,223					3,095,477
Output 2: Establishment and Operationalization of the timbuktoo HQ (a Service Centre by UNDP)	Activity 2.1 Setting up team for the timbuktoo HQ (a Service Centre by UNDP). Director of the Headquarters, High Representative for resource mobilization and UNDP Team (Ecosystem specialists/advisors) These positions are Co-located at the Rwanda CO)	527,342 ¹⁹	1,364,895 ²⁰	1,027,308 ²¹	-	RBA	RP RBA	Salaries	2,919,545
	Activity 2.2 Provision of UNDP Service Lines from the timbuktoo HQ	800,000 ²²	800,000	800,000	-	RBA	Donor	HQ Service lines	2,400,000
	Sub-Total for Output 2	1,327,342	2,164,895	1,827,308					5,319,545
Outcome 2: Creation and Launch of the timbuktoo Hubs									
Output 3: Operationalization and launch of the hubs	Activity 3.1 Lagos FinTech Hub	500,000 ²³	500,000	850,000 ²⁴	-	RBA	RP RBA	Set Up and running Costs	1,850,000
	Activity 3.2 Kigali HealthTech Hub	1,550,000 ²⁵	500,000 ²⁶	500,000	-	RBA	Donor	Set Up and running Costs	2,550,000
	Activity 3.3 Accra AgriTech Hub	1,550,000 ²⁷	500,000	500,000	-	RBA	Donor	Set Up and running Costs	2,550,000
	Activity 3.4 Lusaka MiningTech Hub	1,550,000 ²⁸	500,000	500,000	-	RBA	Donor	Set Up and running Costs	2,550,000
	Sub-Total for Output 3	5,150,000	2,000,000	2,350,000					9,500,000

¹⁹ Salaries for timbuktoo HQ team based on UNDP IPSA and FTA Proforma and IC where capacities are outside of UNDP.

²⁰ Salaries are based on UNDP 2024 IPSA and Fixed term proforma – to include, in addition to the 2024 capacities, the timbuktoo Director, Advisor on Resource Mobilization, Investment Advisor and Hub creation Specialist. (From January – December 2025).

²¹ 2026 envisages reduced capacities as the Hubs will have been set up and the specialists/advisors would be phased out.

²² This cost reflects activities and services to be rendered to the Foundation.

²³ \$350,000 secured from Mastercard Foundation in the first and second year.

²⁴ Mastercard Foundation grant is only available in the first two years.

²⁵ Consolidated cost of establishing the HealthTech Hub and making the first call with Novartis

²⁶ Cost reduced because Hub would be already established.

²⁷ Consolidated cost of establishing the AgriTech Hub and making the first call.

²⁸ \$3,000,000 hard pipeline with Mastercard Foundation.

Outcome 3: UniPods as a gateway for youth to participate in the technology revolution and as a pipeline for innovative ideas that can be incubated in timbuktoo Hubs

Output 4: Operationalization and launch of UniPods; Develop and implement a strategy for a pan African collaborative approach among UniPods.	Activity 4.1. Develop and implement a strategy to embed UniPods into university operations, enhancing sustainability and strengthening R&D.	200,000	100,000	100,000		RBA	RP RBA (2024) Donor (2025/2026)	Consultancy, Workshops	400,000
	Activity 4.2 Design and roll out the UniPod Design Challenge to foster collaboration among UniPods, leveraging their respective strengths.	200,000	100,000	100,000		RBA	Japan (JSB) Funds, RP RBA	Inter UniPod visits, equipment consumables, awards	400,000
	Activity 4.3 Conduct field missions for monitoring and evaluation, providing oversight and guidance to ensure the UniPod network functions as a pan-African network.	80,000	80,000	80,000		RBA	RP RBA (2024, 2026) Donor (2025)	Missions, Workshops	240,000
	Activity 4.4 Produce a documentary showcasing the UniPod network as pan African centres of R&D, generating pipeline ideas for timbuktoo.	50,000	50,000	50,000		RBA	RP RBA (2024, 2026) Donor (2025)	Communications Firm	150,000
	Sub-Total for Output 4	530,000	330,000	330,000					1,190,000

Final Evaluation					50,000	UNDP	UNDP	EVALUATION	50,000.00
Sub-Total Budget		7,776,373	5,658,118	5,670,531	50,000				19,155,022
General Management Support (8%)		622,110	452,649	453,642					1,528,402
Coordination Levy (1%)		77,764	56,581	56,705					191,050
Total Budget		8,476,247	6,167,349	6,180,879	50,000				20,874,474

IX. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The Project Board co - chaired by the RBA Director and the RBAS Director, will have oversight and provide accountability for the overall project. The Project Board will include the senior suppliers (representatives of national governments - funding partners; UNDP Central Bureaus – BMS, BPPS, BERA; key regional partners and donors) as well as senior users (representatives from the selected UNDP Country Offices, pan-African start-up networks, national Chambers of Commerce, etc.) The Regional Programme for Africa Project Board will complement the provision of strategic direction to the initiative.

The Project Board will be responsible for making - on a consensus basis - all strategic decisions for the Project. At least one annual meeting will be held to review the achieved results and approve the annual workplan of the project. Additional meetings may be convened if required according to the specific needs at regional level that might arise. When guidance is solicited on an ad hoc basis, the Project Board will provide the same virtually. Following a GPN approach, the project board, its decisions and reports will be included with the Regional Bureau for Africa’s Regional Programme, contributing towards the implementation of the Regional Programme Document for Africa and UNDP Strategic Offer in Africa. The Project Board will: 1) ensure ownership of the project's business case; 2) provide overall direction and guidance for the project; 3) approve the project work plan and budget; 4) guide project risk management and mitigation; 5) review exception reports and plans; 6) oversee delivery of project results and objectives; and 7) support the project's resource mobilization efforts.

[Annex: Project Board Terms of References](#)



X. LEGAL CONTEXT

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the “Project Document” instrument referred to in: (i) the respective signed SBAs for the specific countries; or (ii) in the Supplemental Provisions to the Project Document attached to the Project Document in cases where the recipient country has not signed an SBA with UNDP, attached hereto and forming an integral part hereof. All references in the SBA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by UNDP in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

XI. RISK MANAGEMENT

UNDP (DIM)

1. UNDP as the holder of a Development Services Agreement (DSA) will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the holder of a Development Services Agreement (DSA) will undertake all reasonable efforts to ensure that none of the [project funds][1] [UNDP funds received pursuant to the Project Document][2] are used to provide support to individuals or entities associated with terrorism, that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as holder of a Development Service Agreement (DSA) will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

5. In the implementation of the activities under this Project Document, UNDP as holder of a Development Service Agreement (DSA) will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.

6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

7. UNDP as holder of a Development Service Agreement (DSA) will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:

a. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Project Document], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP’s property in such responsible party’s, subcontractor’s and sub-recipient’s custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:

- i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- ii. assume all risks and liabilities related to such responsible party’s, subcontractor’s and sub-recipient’s security, and the full implementation of the security plan.

b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party’s, subcontractor’s and sub-recipient’s obligations under this Project Document.

c. Each responsible party, subcontractor and sub-recipient (each a “sub-party” and together “sub-parties”) acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

i. In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General’s Bulletin ST/SGB/2003/13 of 9 October 2003, concerning “Special measures for protection from sexual exploitation and sexual abuse” (“SEA”).

ii. Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment (“SH”). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or

humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

d. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities) and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:

- i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
- ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;
- iii. Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;
- iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
- v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.

g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

h. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

i. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

a. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may

seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

l. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

m. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

n. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled “Risk Management Standard Clauses” are adequately reflected, mutatis mutandis, in all its sub-contracts or sub-agreements entered into further to this Project Document.

ANNEXES

Annex 1. Potential Project Partners

TYPE	PARTNERS	ENGAGEMENTLEVEL
1. African Influencers for Development (AI4Dev) Group	Prof. Benedict Oramah Samaila Zubairu Admassu Tadesse Dr. Edem Adzogenu Samba Bathily Natalie Jabangwe H.E. Tigui Camara Kunle Adeyemi	• Champion for each hub Brand Ambassador • Support mobilization for the Foundation • Invest institutional capital to timbuktoo Africa • Innovation Foundation or Hub Funds
2. Host Governments	Rwanda Ghana Nigeria Kenya Senegal South Africa Morocco Egypt Zambia Tunisia	• Provide conducive environment • Invest funds in timbuktoo Africa Innovation • Foundation Address project bottlenecks • Provide in-kind support
3. Knowledge Partners	Kigali International Financial Centre Enterprise Singapore AfriLabs ABAN JokkoLabs CCHub AL Group Achesi University Stanford University Village Capital MEST ANDE Draper University 500 Start-ups Plug and Play Tech Center	• Technical advisory • Knowledge sharing • Joint events • Implementation partnership • Funds mobilization
4. African/Peer Institutions	AfCFTA AU UNECA UNCDF WIPO	Knowledge sharing Implementation partnership

TYPE	PARTNERS	ENGAGEMENTLEVEL
5. Development Partners	Norway/NORAD Sweden/SIDA Finland Denmark/DANIDA Germany/ BMZ France/AFD Netherlands/ MinBUZA UK/ UKAID EU Japan/ JICA US/ USAID Canada/ Global Affairs Canada	• Invest institutional capital into timbuktoo Africa Innovation Foundation • Technical advisory • Knowledge sharing
6. Foundations	MasterCard Foundation Bill and Melinda Gates Foundation Doen Small Rockefeller Allen and Gill Gray Higher Life (Masiyiwa) Dangote Fndn Motsepe Fndn Tony Elumelu Fndn	• Invest institutional capital to timbuktoo Africa Innovation Foundation or Hub Funds • Knowledge sharing • Implementation partnership
7. International Financial Institutions (IFIs)	World Bank AFDB EIB IFC ISDB BADEA	• Invest institutional capital to timbuktoo Africa Innovation Foundation or Hub Funds • Knowledge sharing • Implementation partnership
8. African Finance Institutions (AFIs)	Afrexim Bank African Finance Corporation Equity Bank TDB EcoBank Absa Bank Standard Barclays	• Invest institutional capital to timbuktoo Africa • Innovation Foundation or Hub Funds • Knowledge sharing • Implementation partnership

Annex 2. Risk Analysis.

Use the standard [Risk Register template](#). Please refer to the [Deliverable Description of the Risk Register](#) for instructions

Purpose

The Risk Mitigation Strategy is one of the risk management measures used to ensure that potential UNDP risks are recorded and monitored. It outlines how the UNDP team plans to record, monitor, and respond to new and arising risks related to the timbuktoo initiative. Risk monitoring will be completed regularly, and any new risks identified will be tracked in the Risk Log, which will be continually updated as needed, with the identified management measures.

This document has been prepared by UNDP RBA as a component of the due diligence process for the envisaged Development Services Agreement between the timbuktoo Africa Innovation Foundation and UNDP upon establishment of the Foundation. While this DSA modality is currently in its conceptual phase, UNDP and various host governments and other potential partners would like to formalize the partnership after the due diligence process is finalized.

If issues arise from the risk monitoring that could affect the partnership or reputational risks to UNDP, then UNDP Regional Bureau for Africa would develop specific management responses and communications materials to address these issues to ensure risks are managed to avoid escalating into a corporate risk.

Risk Log

The Risk Log documents outline the risks to UNDP that have been identified before the partnership is initiated. It outlines the Risk Management measures that will be taken to mitigate the risks. The Risk Log will be used throughout the engagement so that UNDP RBA can record risks as they arise and take necessary actions to mitigate those risks.

Impact and probability of risk scores are calculated by the following formula. Value “P” represents a probability score on a scale from 1 (low) to 5 (high). Value “I” represents an impact score on a scale from 1 (low) to 5 (high). The “P x I” scores help to prioritize the risks where the higher the score, the higher the priority. The “Owner” is the person appointed to keep track of the risk. “Submitted, updated by” is the person who recorded the risk.

OFFLINE RISK LOG

Annex 3

The Offline risk log is available on this [Sharepoint link](#).

Risk Monitoring Plan

The Risk Monitoring Plan provides a practical guide on how to monitor and respond to partnership risks as they arise.

Monitoring Activity	Purpose	Specific Actions	Frequency	Owner	Cost
Proactive and continuous monitoring of the Hub operations	To mitigate operational risks at the Hub level	M&E officer weekly log update on various monitoring metrics	As identified		None
		Record relevant controversies in the risk assessment, Risk Log, and Communications Materials.	As identified		None
		If any controversy arises, timbuktoo HQ will engage the relevant UNDP CO, and will engage the host government, UNDP RBA, and BERA to devise an approach to mitigate the risk. If needed, assess the ongoing viability of the partnership.	As identified		None
Conduct annual strategic review of the initiative	To mitigate risks relating to strategic and reputational risks.	Alignment to principles and standards will be reviewed and used to make informed decisions to adjust the model, monitoring actions of the project (include in the M&E)	As identified		None
Proactively apply and capture lessons learned and good practices.	To mitigate risk relating to UNDPs reputation	Apply lessons learned.	As identified		None
		Ensure knowledge management as a cross-cutting theme of the verification process.	As identified		None
		Captured relevant lessons by the verification team and used them as inputs when making management-level decisions.	As identified		None