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SCALING CIVIC TECH IN AFRICA

Exploring the business models of three civic tech initiatives from Africa

I. Introduction

For many decades, African countries have been recipients of foreign aid since their independence for various reasons such as peacekeeping, post-conflict reconstruction, conflict resolution, diseases fighting, scaling policy for good governance and transparency; among others. However, despite a number of these successes, many experts argue that foreign aid has, at times, developed a culture of dependency in Africa and fostered paternalism —as opposed to partnerships (Kwemo, 2017).

Africa's long dependence on foreign aid has instead bred complacency and apathy in seeking alternative sources of mobilizing development resources. They were unable to match Africa's vast development needs, particularly relating to building physical and human capital.

Civic tech organisations in Africa have been no exception. They have been active recipients of donor funding for their efforts in harnessing technology to enhance how people interact with the government and one another. In fact, globally, there are very few civic tech startups that were formed over the last decade that have meaningfully scaled or sustained their work. Many African civic tech initiatives and organisations are completely dependent on donor funding for their programs.

This article attempts to understand why many civic tech projects are not able to scale and what emerging business models and earned revenue sources for civic tech practitioners are available.

II. Competencies, Capital and Collaboration

In 2016, civic tech funders, Knight Foundation and Rita Allen Foundation published an extensive survey of 50 stakeholders to analyse successes and lessons about growth and sustainability in the global civic tech space, and come up with notable examples of civic organisations that have scaled and insights from their work. They made a number of recommendations to help civic tech organisations scale and become sustainable which surfaced from their conversations with funders and civic tech founders.

The recommendations are grouped under three areas:

(i) Competencies

The research found a skills gap at many civic tech organisations. A few areas in need of skills investment are business planning, sales, fundraising, measuring and communicating impact. The research found that the founding teams of the enterprises that have grown the most have paired technology skills with valuable experience in government or the social sector.

(ii) Capital

There are very few philanthropic and venture funders that invest in the field. Recommendations are made to build networks of angel investors and high net worth donors; entice traditional democracy funders; make inroads to impact the investing community; collaborate on investments; etc.

(iii) Collaboration

The maturation of civic tech as a field will depend on greater collaboration and coordination. There is a promising opportunity to form or partner with incubators and accelerators focused on civic tech startups. Incubators and accelerators have played a crucial role in the nascent stages of other fields and serve several important functions. Incubators and accelerators could help early civic tech startups with prototyping and assessing market fit.

III. Shared Sales and Fundraising Services

According to the above-mentioned research, the most unifying challenge experienced by civic tech startups relates to sales processes and capacities. All organizations selling to the government, not just civic tech startups, can speak to the problems with government procurement processes and the frustrations that ensue.

Another reason that civic startups, especially nonprofits, struggle with sales is that they lack the capital to hire full-time sales staff, let alone a sales team experienced in selling to government clients. The founder tends to be the person overseeing the company, managing tech development and selling the product. Funders could invest in outsourced sales teams that support sales functions across several civic startups.

IV. Emerging Civic Tech Business Models in Africa

Through a KAS-funded webinar series, CTIN held a session in November 2020 interviewing **three** civic tech practitioners in Africa to explore the various earned

revenue sources that are available to them and what other civic tech practitioners can learn from for their practice. We asked the heads of three civic tech organisations in Africa about their business models and how they are making their practices sustainable. The three civic organizations share their unique challenges and the various ways in which they are generating income other than via donor funding.

A. Various Sources of Income for Scaling Civic Tech

Case I: iCampus, Liberia

Speaker: Luther Jeke, Director

Started in 2016, iCampus is a shared community space for organizations, start-ups and government agencies working at the intersection of technology, accountability and social change in Liberia. When iCampus started, 90% of its revenues were donor-funded, and by the year 2020, about 70% of the total revenues were donor-funded while 30% came from offering co-working office spaces and hot desks; consultancy services and paid training; among others. iCampus also provides audio-visual services and also provides content for the EU and other local organisations. To date, iCampus has hosted more than 200 paid events, the proceeds from which go to the pool of funding giving them an opportunity to focus on their core work.

Case II: Gavel, Nigeria

Speaker: Nelson Olanipekun, Founder

Gavel was founded in 2017 due to the huge legal problems faced by the citizens of Nigeria. One of the main reasons being: the trials of about 70% of people detained in Nigerian prisons have not started. As a non-profit organisation,

Gavel's main source of income is donor funding. However, because after a period of three to five years funds run out, Gavel strategized 4 different ways of generating income aside from donor funds:

- *Strategy I:* Generate income via legal consultancies
- *Strategy II:* Other skill sets such as digital and mobile tech that have been built over time have been monetised by Gavel as services to other organisations
- *Strategy III:* Gavel has raised funds of up to US \$ 5 000 by allowing a third party to pay for the detainees unable to pay for the services
- *Strategy IV:* Gavel provides infographic design services to other organisations

Case II: I-Take Actions

Charles Omofomwan, Founder/Executive Director

Charles says, "At Noble Missions we have products, not programs". I-Take Actions is a web platform designed to help citizens take actions (such as taking pictures, reporting issues online, sending emails, signing petitions, etc.) to improve education in Nigeria. Citizens get rewarded for taking civic actions that demand accountability from the government in the provision of quality education. As a young organisation, I-Take Actions is still significantly reliant on donations. Most donations come from individuals and volunteers (pro bono work). When an action is being undertaken, individuals donate or contribute funds to run the

cause. It makes strategic partnerships with other civic tech organisations, such as Tracka which tracks government spending and I-Take Actions raises awareness of those issues. As a part of Accountability Lab, its running costs are kept covered.

B. Why aren't many civic techs able to scale?

The three speakers were asked the reasons why many civic tech organisations aren't able to scale. Some of the reasons provided are:

1. Many civic tech organisations are run by people with a traditional not-profit mentality

Recommendation by Charles:

(i) Such thinking makes it impossible for organisations to scale. It is important for civic tech organisations to think like a business. A business model goes beyond revenue generation: *What services do you want to render? What relationships do you have with your target customers/beneficiaries? How are you able to generate revenue to cover the running costs of your organisation?*

(ii) Civic tech startups need to plan their businesses the way tech start ups do. One must be cognisant of the 'value for money' provided to various stakeholders.

Recommendation by Nelson:

Leadership is critical, requiring planning and strategy built-in for scaling from day one. Also, the structure of the organisation has to be defined with that in mind since the organisation's inception.

2. Majority of NGOs are traditional and do not use technology to reach a wider audience

Recommendation by Nelson:

(i) In order to reach a larger audience and scale, the use of technology is key. NGOs need to pivot into tech such as online platforms and mobile tech to scale and become sustainable.

(ii) Absence of an enabling environment for civic tech to scale. A lot of African countries have shrinking democratic spaces. The clamping down on the civic rights of citizens is a common phenomenon.

Recommendation by Luther:

A critical piece here is trust. Work in the civic tech spaces needs both buy-in from citizens and government receptiveness. As a civic tech practitioner, it is important to encourage the government to become responsive while providing citizens tools and access to information to hold the government accountable. There needs to be a balance where citizens can trust civic tech practitioners and hence attain a buy-in or gain trust from citizens.

3. Most African countries have poor infrastructure (electricity, water and internet connectivity) which creates a barrier for civic tech to reach a wider audience and achieve scale

Recommendation by Luther:

In Liberia, less than 10% of the population are connected to the internet. It is important to encourage the citizens of Liberia to use low tech means of holding the government accountable such as radio, town hall meetings, billboards, music, etc.

V. CONCLUSION

It has been recommended by the civic tech practitioners that rather than working from the adversarial angle, as oftentimes civic tech activists tend to do, a faster and more impactful way of working would be to understand the angle of the government and citizens. Understanding the issue at hand can come from, for example, speaking with police officers working in the streets: *How can their needs be met so that they can better serve the citizens or how can they be motivated or their attitude towards work be improved?*

People are willing to invest in anything to get the change they desire. So civic tech organisations must understand that people will invest for impact and hence in organisations that provide them a better way of living or will improve their quality of life.

The local context matters and especially for African countries, one must understand that high tech does not work in low tech environments and the

clamping of civic rights is rampant. Therefore, one has to translate the conversations happening elsewhere in the world to the context of local /Africa.

Another important lesson learnt by these civic tech practitioners when it came to scaling their work, is that the more visible their organisation is, the more it is able to get donor funding and revenues from other sources of income. More visibility means more sponsorships from businesses. They have understood that 'business will only collaborate when you have more followers or a wide reach'.

Last but not the least, it is critical to build a civic tech ecosystem: such as building platforms for the government and enabling the participation of citizens in demanding accountability and transparency from the government. Instead of re-inventing the wheel, one can build upon existing assets and leverage them - for the locals have the solutions for these issues.

REFERENCES

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