



**#DIY
AFRICA
2021**

**SESSION REPORT:
FUTURE OF CIVIC TECH FINANCING
AND SUSTAINABILITY**

SEPTEMBER 2021



Session Introduction Background

Catalysed by the Arab Spring and the introduction of platforms such as Ushahidi, many Africans have invested efforts in finding creative ways to mobilise, engage and address issues in their communities by leveraging data, digital technologies and non-technological approaches.

However funding has continued to be a critical issue in the civic tech space, many civic tech innovators have been grappling with questions of sustainability and the need for new business models. Similarly established funders have begun asking questions about the impact and sustainability of the civic tech initiatives and their role in the space.

CTIN hosted a discussion at #DIYAFRICA on the **Future of Civic Tech Financing and Sustainability**. The session focused on the funding landscape, business models and issues in the civic tech community specifically looking into the future and offering new insights, ideas, lessons in Africa. The session was organised for targeted diverse members of the civic tech community including civic techies, non-profits organisations, civil society organisations, media, researchers, funders and investors and more.

Session Moderators and Participants

Session Moderator:

- Geci Karuri-Sebina - [Civic Tech Innovation Network](#)

Session Provocateurs:

- David Sasaki - [Hewlett Foundation](#)
- 'Bosun Tijani - [CcHub and iHUB](#)

Breakaway rooms moderators:

- Alissa Black - [Luminate](#)
- Gabriella Razzano - [OpenUp](#)

Session Objectives

- The session was aimed at identifying key trends / directions, challenges and opportunities in the space, as well as to perhaps identify new questions for the attention of various ecosystem actors.
- Enabled sharing, learning, networking and inspiration at the individual level
- Enabled building forward towards sustainability: user priorities, institutional arrangements, finance, etc.

Financing technology for civics

The civic tech space has been mostly funded by philanthropic foundations such as Omidyar Network, which enabled the space to grow and flourish. However, in recent years, the civic tech space has been grappling with questions of sustainability and failing business models. David Sasaki argued that philanthropies should not fund nonprofit tech development. He explained that civic tech organisations become more concerned with satisfying funders instead of focusing on identifying, satisfying and expanding their users/customers. Therefore philanthropies funding

civic tech distracts the organisations from building a business model and a use case for the software/tech. He adds that there are documented cases of nonprofit organisations that regret investing millions in developing their own technology platforms, Sasaki echoed Koketso Moeti's points to many of those [case studies here](#) where she tackles technological solutionism. In some cases, a lot of funding is spent (by civic tech initiatives) on trying to develop operating systems and writing code; however, these organisations never focus on identifying appropriate business models for their initiatives.

'Bosun Tijani countered that philanthropies should continue to fund civic tech because the drive in the civic tech space was only possible on the continent because of the foundations which were available to help drive attention to the usage of modern digital technologies to try and bridge the gap that exists within society, especially on the African continent. He explained that before the funding from the foundations, the innovation ecosystem in Africa was extremely weak, without foundations enabling and supporting civic tech there couldn't have been anyone building Ushahidi from a purely commercial perspective.

Further, there is not always existing technology. There was no platform that could provide the support that Ushahidi was providing at the time, for example. Ushahidi has grown e.g. to enable people to map and support the communities that were being targeted for their sexual orientation in Zimbabwe.

Such activities were impossible on the continent and the funding from the foundations that came through civic tech opened up the possibilities with technology for the African continent. People began to realise that they could use platforms like Ushahidi, and Enough is Enough. The technology built by Enough is Enough was simple - they built a simple hub, which enabled citizens to go to polling units, record what is happening, feed that into a system and people can quickly react to it. Due to a poor internet connection, they had to build a solution that could work. After this, we noticed a rise in technological solutions suitable for the market and community. However, sometimes foundations enter the civic tech space and begin acting as venture capitalists thereby missing the purpose of civic tech.

Sasaki further uses the parliamentary monitoring websites as an example of where he has noticed this trend. Parliament in a modern democracy should be the institution that represents citizens' rights, and therefore they should have an executive branch of the government dedicated to responding and communicating with citizens.

Between 2008 and 2009 there was a rise in the establishment of parliamentary monitoring websites in various countries around the world including the US, UK, Kenya, South Africa. The idea for these websites (civic tech initiatives) was that they could change the operating system for the government, influence the functioning of government, as well as create different incentives for accountability on the part of the legislators. However, some of these organisations are also less focused on developing the technology and are more focused on using existing technology which is already being used by people including Facebook, Twitter, Tik Tok etc.

These parliament monitoring platforms are using existing private sector platforms to create more proximity between legislators and citizens and more responsibility.

Encouraging the use of cheap and existing technologies

Sasaki argues that there are infinite opportunities to use cheap and existing technologies to enable government officials, activists, public interest lawyers, journalists etc, to do their job more efficiently and equitably. However, for that to happen, philanthropies must stop funding the development of technology and encourage civic tech organisations to use existing technologies. Existing technologies are already enabling society to show our biases, solicit feedback, learn, monitor performance, and bridge cultural and linguistic barriers. Sasaki argues that there are many opportunities for the civic tech space to help governments and nonprofit organisations to use technology to become better organisations. For example, Wingu in Latin America is one organisation that helps nonprofits and activists use existing, relatively cheap tech to become more effective, influential, and to engage more deeply with their constituents.

Tijani agrees that the civic tech community should try as much as possible to leverage existing technologies and many civic tech initiatives in Africa have already been doing that for many years, it's been a major part of governance work at least in Africa, perhaps in other parts of the world as well. He does however indicate that there are not always existing tech solutions that suit African needs and conditions.

Relying on the private sector and holding them accountable

Agreeing with the above arguments however means that society becomes fully dependent on the private sector, semi-monopolistic tech platforms that prioritise profits over ethics. These require regulatory accountability and ongoing public pressure. However this is an issue as Koketso Moeti describes, there are no easy answers to hold private-sector platforms accountable. What constitutes harmful speech? What is the truth? When should payment companies prevent users from supporting a business? Context and intention matter!. Established private sector technology already exists as a sustainable business model, therefore, the public sector advocates and public interest lawyers can all do their job better, this means we become dependent on the private sector.

However private technology platforms are not easily held accountable and are more concerned with their profits. Their business models are usually based on advertising or paying users and as a result, it is not surprising that in the last five years many people who were really influential in the formative years of using technology to deepen citizen participation and hoping to make government more transparent have become slightly disillusioned in that goal and journey. Most of these people and organisations are now focused on trying to think about how policy and regulatory policies can also be used to mitigate the harm caused by such large technology platforms. Therefore we should celebrate that and invest in policy training like Collaboration on International ICT Policy in East and Southern Africa (CIPESA) & Aspen Tech Policy Hub. While difficult, the policy and regulation field deserves to expand, every country needs to think about the ethical norms and democratic norms that should govern our platforms.

Sustainability - Civic Tech Identity, Sustainability & foundations enabling civic tech in Africa

Tijani brought up an issue plaguing the civic tech space, the issue of identity - identity from a perspective of how an innovation ecosystem is good and how that innovation ecosystem serves the entire society as a whole. From an innovation ecosystem perspective, for an ecosystem to thrive different organisations must be in the room for different things, and the ability of these different organisations to actually do the job efficiently will determine if society can capture value from innovation.

The issue of sustainability in civic technologies brought voices coming from the private investment community and a lot of private investment people began wanting to invest in the foundations. However, their perspective on sustainability was not whether these technologies could drive an impact on society but rather sustainability meant turning civic tech organisations into for-profit organisations.

He also argued that sometimes African civic techies become lazy or give up too soon. He further argues that there is always a lifespan for these technological solutions, for example, Myspace was replaced by Facebook and now Facebook is no longer growing at the pace it used to, although it still retains many users. However, instead of giving up Facebook began diversifying. Therefore when civic tech is becoming obsolete, and organisations struggle to keep this solution sustainable, the civic tech space should

1. Invest in a proper understanding of how to keep civic tech solutions sustainable and what models can be applied to make civic tech work.
2. Ask themselves “is civic tech sustainable in the first place?”
3. Spend more time answering these questions instead of giving up, as Facebook looks to diversify, we need to figure the answer to these questions before dumping these solutions.

Key points from the fundees discussion:

1. Innovation (what it is and what it needs) should dictate civic tech rather than funding.
2. The crisis may be in philanthropy not in the civic innovation space.
3. Sustainability is not the goal of innovation and meeting the needs of the user/communities should be.
4. Civic tech should focus on the impact, instead of being tech-driven
5. Reflect on the tech we use: The digital African context should be appreciated, therefore more civic tech should consider low and open source tech options. There is a role for philanthropy to support open source projects to underpin context-specific development. Perhaps there is a role to incubate contextual tech built with safeguarding and local elements.
6. Scalability conversations can fail to appreciate that impact is often very targeted to specific local needs and behaviours.

Key points from the funders discussion:

1. Overstatement of the Sustainability focus - there are examples of large national (US) NPO's based on philanthropy, so pushing for independence from philanthropic funding as a sign of sustainability is not necessarily legitimate
2. Hybrid models that incorporate earned revenue may be complicated - many philanthropic funders can't fund for-profit.
3. Profit constrains the funding model - for example, funders want diversified funding streams, but they cannot be too profitable. This complicates business models.

Key Takeaways and main messages from the main discussion

Sustainability

The civic tech space and funders need to reflect on what 'sustainability' and scalability means for civic tech in Africa, it cannot be judged on the same metrics as the private tech sector. Instead of a revenue outlook, sustainability could be looked at in impact outlook vs as capability building in the space. We should also consider that none of these platforms are sustainable in reality if they are to be measured by the investors' perspective however a lot of them still survive on raising a lot of money, because of the potential disruption that they cause in society and that disruption is the same level of disruption that you see civic tech startups and organisations, bringing to the fore. We also need to consider that

1. The need and drive for sustainability may be pushing civic tech organisations in the wrong direction for funding and support. There is also a need for appreciating failure in the space.
2. Sustainability often depends on the alignment of the fundraising model with NPO philosophy/objectives.
3. Some of the funding resources need to be allocated to researching these funding and sustainability issues to better equip the funders and fundees.
4. Civic tech organisations should focus on how they can make a lasting and usable service or a product that is good for people instead of consistently travelling to speak at different conferences. Perhaps foundations played a very unhelpful role in creating an atmosphere where there was more of an incentive for these organisations to speak at conferences. This demonstrates that the community and funders did not pay enough attention to helping those organisations understand how to build civic tech

Funding Models

1. The civic tech space could also consider mixed models which could help with the sustainability issue, some work could be revenue funded, some could require philanthropic funding to continue. However civic tech organisations should be aware that these models could change and challenge the nature of the power dynamic.
2. Private funding models are not realistic for the African civic tech context
3. Civic tech organisations do not have the luxury that for-profit businesses have where they can have many rounds to raise funding and hire the best product designers but the

work they do is important and if we cut the philanthropy funding for these organisations we are cutting out a part of what tech can be for society.

4. The over-circulation of the same ideas in the civic tech space affects funding models

Identity

1. 'Civic tech' is a language used to create identity. The word civic tech has its own connotations and can only be used in specific spaces and this affects how and where civic tech organisations seek support and funding
2. The lack of identity in the space leads to a lack of understanding of the role of civic tech and how it can be made more sustainable and we (members of the civic tech community) must give ourselves a chance to do that reflection on that analysis. We may be wrongly jumping from civic tech does not work to everyone should build sustainable technology platforms
3. The identity issue on the funder's side comes in when foundations come into the civic tech space wanting to behave as venture capitalists, therefore the foundations may not understand civic tech and its importance in the whole innovation ecosystem

Civic Tech in Africa

1. African governments need a lot of technical support which is being provided by the civic tech space because the governments have capacity and infrastructure gaps
2. A lot of African civic tech organisations are focused on solving day to day problems, however, there is an assumption that everything we need to connect society is already built, this may not be the case in Africa as there are people who are still unable to use these tools in the first place and thus cannot connect with others
3. Civic tech, fintech and the entire tech ecosystem in Africa needs to pay attention to privacy
4. Civic tech startups are judged poorly because the levels of transparency and success is also not as huge as it should be.

Conclusion

The field of civic technology has been using digital technologies to change institutions that felt unchangeable for decades since the 2008-09 era. However, it is important to remember that different tech organisations in the ecosystem have different roles in order to serve society and civic tech should continue to find "sustainable" ways of carrying on the work as it serves a specific purpose. Both civic tech organisations and philanthropies should also take the opportunity to learn and evolve, especially with this urgency for sustainability and suitable funding models therefore there is a need for the civic tech space to also consider ways to make their work more accountable and transparent.