The DRC entrepreneurial ecosystem

*Its challenges and the rationale for the creation of “Ingenious City” – an incubation platform in Kinshasa*

**BRIEF DESCRIPTION:** To address some of the roadblocks preventing businesses getting from idea to scale in Africa’s largest Francophone country, ÉLAN RDC has worked with “Ingenious City” in Kinshasa to launch a new approach to youth entrepreneurship through the creation of a platform that federates existing incubators under one roof.
The DRC entrepreneurial ecosystem, its challenges and the rationale for the creation of “Ingenious City” - an incubation platform in Kinshasa

Author: B. Zuidberg, sector lead Business Development Services, ÉLAN RDC (December 2018)

Development towards an entrepreneurial ecosystem that supports young, growth-orientated entrepreneurs in Democratic Republic of Congo (DRC) has not had the same progress as elsewhere in sub-Saharan Africa, especially when considering the size of DRC’s GDP and population. Challenges range from a lack of entrepreneurial acumen, a culture of discretion among potential investors who seek to remain hidden, lack of access to stable electricity and internet, and lack of credible business services and affordable workspaces for small businesses. While many of these challenges still need to be solved to allow a thriving and growing ecosystem to develop, the main ingredient, DRC’s entrepreneurs, are young, creative, and eager. To address some of the roadblocks preventing businesses getting from idea to scale in Africa’s largest Francophone country, ÉLAN RDC has worked with “Ingenious City” in Kinshasa to launch a new approach to youth entrepreneurship through the creation of a platform that federates existing incubators under one roof.

As a startup itself, “Ingenious City” will need the support of entrepreneurs, corporations, investors, donors, and the government to accelerate the impact of the entrepreneurial ecosystem of DRC. To serve as a guide to these potential partners, ÉLAN RDC has developed this document to show where the ecosystem is today and where it could be heading with that support.

Background

Startup entrepreneurship attracts a lot of attention in Africa. On a continent where the prospects for employment are low and the numbers of young people entering the labour market are high – especially in urban areas – it is to be expected that hopes of the youth for making it big with a startup company are highly strung. On top of that, donors are increasingly turning to youth entrepreneurship as a solution for this demographic time bomb – allocating funds to support entrepreneurial ecosystems all over the continent through grants to incubators, support for networks as well as selected startups. Trends in investment, youth entrepreneurship, donor support, and business support have been accelerating in sub-Saharan Africa, leaving DRC behind.

Although startup entrepreneurship is a generic term that can be applied to any new business, this document focuses on “tech startups”, which use some form of technological component in their products or service proposition. The use of internet and mobile technology allows these businesses to rapidly grow their customer base in their home market and expand to other countries.

Investment

The work of the past 10 years is starting to pay off: according to Partech Ventures, a venture capital firm active in Africa, total venture capital funding of African tech ventures grew to approximately USD 500 m in 2017, a 50 per cent increase compared to 2016, while the number of funded startups also increased by 8.9 per cent. South Africa, Nigeria and Kenya remained the top three investment destinations for the third year running, while Egypt and Rwanda are catching up fast. In 2016, Facebook’s founder Mark Zuckerberg visited Kenya and Nigeria, while in 2017 Google’s CEO Sundar Pichai also visited Nigeria to announce multiple initiatives for the continent. Funding for tech ventures came from both Africa and abroad, with various investors putting amounts large and small into startups across the continent.

1 Please refer to the glossary at the end of this report for an explanation of terms used
2 https://www.linkedin.com/pulse/another-record-breaking-year-african-tech-start-ups-raised-collon/?trackingId=6ncsYxVeIpYLqWvU8n6CNg%3D%3D
Unfortunately, Francophone African countries represented only 14% of the transactions (16 deals) and 10% of the total funding (US$ 55.5 Million), while having 32% of the total African population. Five countries: Rwanda, Senegal, Morocco, Cameroun, and Tunisia lead the way within the Francophone group, ahead of the largest country in Francophone Africa, Democratic Republic of the Congo.

**Stimulating Young Tech Entrepreneurship**

According to the World Bank DRC Job report 2018, “between 2005 and 2012, more than 40 percent of the unemployed were young workers (aged 15 to 24). Youth unemployment is particularly pernicious in urban areas, and the government has no viable policy yet to deal with this problem. The shortage of jobs spurs growth in the informal sector and, due to weak supportive structures, many young workers turn to a life of crime”. Unemployment among the youth combined with a fast-growing population creates an urgency across the continent to create companies and jobs: “UN mid-range projections show that the population will expand from 77 million people in 2015 to 90 million in 2020 ... By 2030 the population will reach 120 million, with 55 percent (66 million) in the working-age population—19 million more than in 2015. From 2015, the size of the working-age population is projected to grow by 1.5 million to 2 million people each year. Consequently, by 2035, the working-age population will nearly double with respect to 2015”

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3 World Bank data 2017
In DRC (see World Bank 2018 data above), the working population is expected to grow by 1.5 to 2 million people annually. Given the fragility of the economy and its dependency on mining it is not realistic to expect that the current formal sector will be able to absorb all these young people. Additional solutions that stimulate youth employment outside the formal sector are therefore urgently needed.

Stimulating entrepreneurship as a way of improving the livelihoods of poor Congolese has been the goal of ÉLAN RDC. Although employment was part of the focus of this DFID program the main deliverable was increased income for 1 million poor Congolese, not necessarily the number of businesses or jobs created. More is needed to address the youth bulge facing DRC.

Youth entrepreneurship is a contentious topic and cannot be presented as the sole solution for the inclusion of young Congolese in the economy. Ideally youth entrepreneurship forms part of an overarching employment development approach. In the reality of DRC, however, where most young people are left to their own devices without any form of institutional support, entrepreneurship is a route that can lead to economic independence.

While the argument that young people do not necessarily make the best entrepreneurs is valid (due to their lack of experience, financial means and networks), it is equally important to realise that they are the ones best positioned to develop products and services that appeal to their own demographic group. This is where startup entrepreneurship comes into the equation: businesses that offer products and services through technological means, such as mobile and internet platforms, that appeal to a young, increasingly tech-savvy demographic.

International support for startup entrepreneurship

There is a continent-wide drive for startup entrepreneurship underway. Currently concentrating predominantly on South Africa, Nigeria, Egypt and Kenya, donors, as well as international actors are focusing on the following areas:

1. Providing training and networking to incubators and investors. For example the Village Capital training, sponsored by DFID, Orange corners program of the Dutch government, African Business Angel Network, Venture Capital 4 Africa, Afrilabs
2. Providing grant funding for incubators, such as the Dutch Good Growth Fund SCBD facility, Hanns Seidel Foundation supporting Kinshasa Startup Academy, DFID supporting the GSMA Ecosystem Accelerator
3. Supporting individual startups through grants, competition prize money. Examples include: Seedstars World Competition, Fintech Challenge FSD/ÉLAN RDC, XL Africa and Afrique Excelle by World Bank and many others

6 Please visit www.elanrdc.com for details on the ÉLAN RDC program
4. Donor investment in Venture Capital funds, such as Proparco in Partech Ventures, DFID in Village Capital
5. Instruments combining the above, such as the French startup fund and the AfDB Jobs for Youth in Africa
6. Philanthropical institutions such as the Bill and Melinda Gates Foundation, Open Society Foundations of George Soros and the Rockefeller foundation which get involved in investment vehicles such as Acumen, TPG's Rise Fund. There are also African homegrown initiatives like the Tony Elumelu Foundation in Nigeria which had 150,000 applications from across Africa for their 2018 TEF program (which gives USD 5k grants and a 9 month coaching program to 5,000 winners)

For all the attention that donors are giving to entrepreneurship in Africa, DRC is mostly overlooked. Much of the support focusses on “East Africa”, “West Africa” or “Southern Africa” leaving DRC, which is solidly “Central Africa”, off the map for many donors and impact investors. The donor focus in DRC is on humanitarian aid. There are few private sector development programs in DRC (ÉLAN RDC being one of them), let alone those that include youth entrepreneurship in their scope.

**Business Support in Africa**

![Image](https://example.com/image)

**Figure 3: GSMA Africa tech hubs landscape 2018**

Across Africa, incubators and accelerators have played a vital role in supporting young entrepreneurs on their journey from idea to revenue and growth, especially in environments where these skills are not taught at school or university, and where inspiring examples are sometimes hard to find. Although statistics are hard to come by, according to African Business Angels Network founder Tomi Davies, many of the tech

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9 https://www.unocha.org/drc 2018 funding 736 M US$, with a further funding gap of 938 M US$
ventures currently receiving funding (grants/debt/equity) were supported in one of the approximately 400-450 incubators that Africa now counts.

Unfortunately, the current incubators in DRC are struggling to offer even the most basic support needed for startup entrepreneurs.

**Current situation in DRC**

As indicated in the introduction, the number of actors in entrepreneurial ecosystems across Africa is increasing and many are increasingly focused on supporting young entrepreneurs in their journey of growth and success. But how about DRC?

Ecosystems comprise of a number of actors as can be seen in the following diagram[11].

![Diagram of entrepreneurial ecosystem components](image)

**Figure 4: entrepreneurial ecosystem components**

ÉLAN RDC has identified these actors in DRC in an ecosystem map[12] (details in the appendix). This map shows that although there is a sizable number of incubators, especially in Kinshasa, the ecosystem isn’t balanced. The number of actors in training, supporting and financing startup entrepreneurs is low and of those that are working in this space few have structured programs with relevant content at a price level matching the budget of startups. There is also an over representation of actors focusing on events and competitions, as these are activities that sponsors are interested in.

The ecosystem map shows that the majority of initiatives are taking place in Kinshasa, with very little outside of the 3 main centres of activity of Kinshasa, Lubumbashi and Goma.

The ecosystem is constantly changing, so the map presented is a snapshot of the situation in 2018. In November 2018 it was handed over to the founders of Julisha.cd and Kinshasa Digital, with the agreement

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11 This is an adaption of the ANDE ecosystem https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/FINAL%20Ecosystem%20Toolkit%20Draft_print%20version.pdf
12 The DRC entrepreneurial ecosystem map was made using the methodology of the Founder Institute https://fi.co/canvas
that it would be kept updated on a website, as a means to provide transparency, and as a result, make it easier for actors to find each other and work on improving the ecosystem.

A second axis along which to review the support that startup entrepreneurs need is related to the stage that they are in. In the diagram below 6 stages in the lifecycle of a startup are identified, with the main deficiencies in DRC the cadres below the graph.

**GAPS IN THE ENTREPRENEURIAL ECOSYSTEM**

![Diagram showing six stages of a startup's lifecycle: ideation, concepiting, commitmen, validation, scaling, establishing. Each stage has associated gaps such as A stable, affordable and stimulating workplace, Coaching one on one – challenging ideas, team composition and choices, Entrepreneurship training, Linking to investors, Mentoring by experienced professionals, Access to reliable and affordable services.]

These deficiencies are there because of the ecosystem is still nascent, and as a result there are few successful startup stories to share in DRC. The examples that stand out are eMart14 and Labes Key/Schoolap15, which both did not come forth from incubators. Both are still young startups, too young to determine their success.

**Main challenges of the DRC ecosystem**

The fact that no large startup successes have been forthcoming points to formidable challenges.

*Culture*

As in other francophone countries, entrepreneurship in DRC is not a natural choice. This is not only due to the language barrier to English information on the internet, sometimes the grasp of French is also not enough to draw on information coming out of France. More importantly the education system and role models do not seem promote growth-entrepreneurship. In general, entrepreneurship in DRC is perceived as something that one does out of necessity, after having failed to find “proper” employment. The lack of inspiring local examples of entrepreneurship, especially for startups, make the choice daunting. This makes it

14 Emart.cd
15 Schoolap.com
difficult for aspiring entrepreneurs to convince their parents that entrepreneurship can be a viable career choice and to attract seed capital from family and friends.

Of the young Congolese that turn to startup entrepreneurship, many appear to be from affluent backgrounds as they have their family wealth as safety nets. Although this is a good thing because they have access to funds for seed capital, the challenge for this group is to realise that starting a business is hard work and not just a lifestyle.

Finally, donors and NGO have been operating for a long time in DRC, mainly through the utilization of grants. This has led to a mindset of asking for handouts in lieu of pitching for investment in viable business propositions.

*Lack of knowledge on entrepreneurship*

Secondary and tertiary education programs do not include courses on entrepreneurship, with the exception of some private universities. This means that of the youths that choose entrepreneurship as a future, many are ill equipped for this. Critical thinking on the needs of the market; understanding on what it means to run a business; the importance of financial reporting and control mechanisms; where to turn to for help; knowing the needs of investors, these are all aspects of entrepreneurship that are largely unknown.

Similarly, there is a lack of knowledge and understanding on the part of mentors and service providers about the specific skills and tools that startups need, simply because they have never been exposed to it in depth.

*The role of government*

After pressure from the World Bank the DRC government has made progress in the ease of starting a business by opening “guichet-uniques” in Kinshasa and Lubumbashi. This has helped in assisting businesses to become formal faster and at lower cost, but at the same time has reinforced the reason why so many prefer to stay informal. Harassment by tax officials has increased now that they also have easy access to information on new businesses. Tax laws are notoriously ambiguous in DRC, so inexperienced startup entrepreneurs make for ripe pickings for the tax inspectors, who now knock on their doors even before reaching revenue.

The government has yet to develop a comprehensive policy on youth entrepreneurship, especially for tech startups.

*Affordable and credible business support*

What we are seeing is that existing incubators claim to have a high number of startups and are keen to have their startups enter in local and international competitions, but that follow through to revenue and growth stages does not appear to happen.

Many of the startup teams can't focus on their business because they don't have own, family or friends’ means to do so. Although the root cause mentioned by startups and incubators for this stagnation is the lack of funding, the fact of the matter is that very few startups are currently able to present their business ideas in such a way that they attract investment. This leads to a vicious circle illustrated below.
Starting entrepreneurs in DRC receive very little support during the various phases of their business. The ones that find their way to one of the existing incubators do not get the type of support that they need most urgently:

- Generic training on startup entrepreneurship in order to cover the gap left by secondary and tertiary education
- Specific, technical training to improve their products and services
- Critical and constructive feedback on their business models and assistance in taking the right decisions
- Introduction to mentors, coaches, suppliers and distribution channels needed to finetune and improve their business models
- Assistance in getting ready for meeting investors and closing deals with the best suited investors

Instead, what we have seen is that incubation seems to limit itself to providing a space with electricity and internet (not always), sometimes combined with generic training (the first item on the list above). Because startup entrepreneurs generally are not able to pay for these services, it is often offered in return for equity, although the details of these deals are not always clear.

Investors hesitant

Access to funding is a problem in DRC. Not only for startup entrepreneurs but to entrepreneurs in general. Startup entrepreneurs, who cannot access bank loans because they lack collateral and track records, are reliant on family and friends, local and diaspora high net worth individuals (HNWI) and specialized investment funds.

Of those 4 options the last 2 are as yet unused: the demands that these investors have (documentation, sound business plans, good presentations, English literacy) cannot be met by the startups. Poverty is widespread in DRC, so access to a family member or friend willing and able to give seed capital is by no means easy. That leaves only the local HNWI as a viable source of investment for DRC startups. Unfortunately, although there are quite some wealthy individuals in the larger cities, those are not easy to find and approach.

The challenges are not only on the part of the startup entrepreneurs. Potential investors themselves are not yet ready and able to provide seed and early stage investing to startups due to:
1. Lack of Awareness: investors are largely unaware of the investment opportunities in startups, the role that is expected of them as early stage investors and how to structure startup investment deals including how to exit

2. Low Trust Levels: trust levels between business partners in DRC are generally low. This means that structuring equity finance, which is the primary tool for startup finance, is really difficult

3. Need for Discretion: investors in DRC are generally shy as: (1) they are afraid of being approached by family and friends once it is known that they have money to invest or (2) the source of their funds is not above board and so they want to remain discrete

Having said this, there are isolated examples of startups managing to attract financing of up to USD 100k in equity. Ironically though, these have not been the product of the ecosystem but rather individuals that switched over from a corporate career and relied on their experience and networks to secure this funding.

Another, more recent, development is the use of crowdfunding. The first successful Kickstarter crowdfunding campaign in DRC was recently concluded for Sapatu17, organized by Kobo Hub, a local accelerator (see box). Crowdfunding is not suitable for all startups (Sapatu had shoes to offer in return for donations) and not always the best method in DRC, as the platform used did not allow payments from DRC credit card holders. Possibly alternatives such as M-funding, a Congolese crowdfunding platform that was launched from Bukavu recently, can help in future.

Information scarcity

It is currently very difficult for starting entrepreneurs to find information that is relevant to their needs, such as where to find support, market information, how to attract financing, etc. Collecting this themselves (especially market information) is very costly and time consuming. This results in business plans of poor quality and decision taking that is very subjective. It also makes due diligence on the part of investors very difficult.

17 https://www.kickstarter.com/projects/432822532/sapatu-the-congolesse-shoe-brand?ref=project_link
Ecosystem strengths & opportunities

Although the current situation is challenging, the DRC ecosystem has at the same time a number of strengths and opportunities that are driving recent activities.

First of all are the skills that Congolese are famous for: their creative skills, especially in music and art. But also their ability to constantly adapt to new situations, which, in theory, would make it easy for Congolese startups to pivot their business models to match market requirements.

Secondly is the large and growing young population that has shown to be able and willing to teach itself the coding skills required for programming. This is specifically the reason why international players such as Facebook, Google and Microsoft are starting to sponsor and attend local events to monitor DRC more closely. This includes Kinshasa Digital Week 2018 in Kinshasa.

Box: Sapatu crowdfunding campaign

Sidonie Latere, founder of Kobo-Hub on Sapatu’s crowdfunding campaign:

“We decided to go for crowdfunding because Sapatu had products to offer in return. The cost for the campaign was carried by Kobo-Hub because we saw the added value of the exposure for ourselves. The high quality video that we made was instrumental in overcoming initial scepticism on social media. After an initial post it was quickly shared through various social media channels. We raised the required amount in no time –but purely from diaspora Congolese living in Belgium, France and US. Local donors couldn’t contribute unless they had an international credit card, which is something that local banks do not offer. That’s something we need to work on, possibly by launching our own crowdfunding platform. An added advantage is that multiple investors have indicated they are interested in Sapatu.”
Third is the large and growing, mainly urban, customer base that is eager to adopt new digital products and services that address their specific needs. Internet penetration, although currently low (6% to 8% depending on the source), is set to increase rapidly with the influx of cheap smartphones.

Fourth, the DRC is the largest Francophone market in terms of consumers in the world, which should make it attractive for actors operating in France and Francophone Africa looking for expansion. This is something that the Congolese diaspora in Europe, US, Canada and South Africa sees and would like to act on.

Fifth, there is a recent buzz around startup entrepreneurship in DRC that has attracted the attention of sponsors such as banks, telecom operators and breweries. This has paid for a proliferation of events in Kinshasa, Lubumbashi and Goma. This is a sign that the private sector is eager to associate their name with youth entrepreneurship in DRC, which opens possibilities for startups, incubators and event organisers.

To capitalize on these strengths and opportunities, startup entrepreneurs need encouragement, guidance and introduction to investors.

ÉLAN RDC’s involvement in the ecosystem

In 2015 ÉLAN RDC was asked to support a hackathon in Kinshasa. Although the event itself was not a resounding success it did lead to the first encounter with the budding ecosystem. This then led to involvement as sponsor/organizer of the first Seedstars World Kinshasa Competition in November 2017, which coincided with the creation of the Business Development Services workstream within ÉLAN RDC, initially focusing on the needs of the direct partners.

The experience around the Seedstars event and consequent involvement with preparing the competition winners for their trips to regional and global events led to in-depth knowledge of the ecosystem actors and challenges.

Soon, however, the systemic challenges laid bare in our work with the partners showed a broader challenge, namely the lack of basic management skills, tools and information relevant to entrepreneurs. The root cause of this was that delivering these types of services to early-stage entrepreneurs operating in “base of the pyramid” markets is not profitable to the service providers as the entrepreneurs don’t have the means to pay for the services. The few existing providers that are focused on micro entrepreneurs are donor funded and structured as NGO’s. They are ill suited for working with startups, especially those that are tech related.

18 https://www.internetworldstats.com/africa.htm
Ultimately, after reviewing those challenges and considering the strengths and opportunities, ÉLAN RDC decided to support the creation of Ingenious City, an incubation platform where multiple, existing incubators and their startups could benefit from shared space, services and training & mentoring programs.

Over a period of a year, grants were given for partial coverage of operational expenses (rent and salaries) as well as technical assistance and linkage to international networks and donors. Simultaneously, ÉLAN extended its sponsorship for the Seedstars competition for 2018 and assisted in training and coaching of startups.

**Ingenious City**

Ingenious City is the brainchild of 2 Congolese entrepreneurs, Fely SAMUNA (Congo Call Centre, Rainbow Advertising, FEC SME committee chairman, UN Global Compact) and Francois NGENYI (former CEO of Access Bank RDC). Both have had successful careers and realized that their success came from having received support from mentors in the past. Part of the reason for starting Ingenious City is their desire to give back to young Congolese: a place where entrepreneurship is stimulated and supported.

Together they have created a 1200 m2 space where the following services are progressively being offered:

1. Incubation space for incubators and their startups (capacity: 100 desks @ USD 50 per desk per month)
2. Co-working space and meeting rooms for freelancers and visitors seeking a place where they can meet like-minded people in an inspiring location (capacity: 30 desks)
3. Event hall for seminars, conferences and events (capacity: 200 people)
4. Office space for expanding startups (eight units of 12-15m2 each)

The centre is located in an old industrial warehouse in the former Procoki factory, located very near to the city centre. In total approximately USD 150.000 was invested by the 2 initiators.

The ambition of Ingenious City is to become a point of reference for the ecosystem in DRC: a place where aspiring entrepreneurs can be trained and meet mentors and investors, both local and international. Also, a place where the media and institutions (public as well as private) can come when seeking information on the ecosystem as well as someone to talk to with regards to startups.

19 www.ingeniouscity.com
With this approach Ingenious City aims to address a number of Kinshasa / DRC’s challenges:

- Be a space where incubators can use shared services (desk space, internet, event space) at affordable rates, thereby reducing their expenses and being able to offer their services to more entrepreneurs.
- Alert young Congolese to the possibilities in entrepreneurship and services available to startup entrepreneurs through local media, the presence of Ingenious City at all local events and university awareness sessions (planned).
- Offer generic and more specialised training for startup entrepreneurs as well as incubator managers at affordable rates.
- Provide a place where investors can come to meet startup entrepreneurs during pitch events.
- Create a network of mentors willing to engage with startup entrepreneurs, leveraging the founders’ personal connections.
- Create an easy “entry-point” for donors / sponsors and NGO’s seeking to engage with the ecosystem.

Since its opening in March 2018:

- Agreements were signed with 6 existing incubators, of which one dedicated to female entrepreneurs that were already active in Kinshasa, but who were struggling to finance their space and internet connections.
- 52 mentors for various entrepreneurial and corporate backgrounds were enrolled to assist startups. All have pledged to spend at least 2 hours of their time each month coaching / advising startup entrepreneurs.
- Ingenious City managed to become Seedstars ambassador for DRC and hosted the second Seedstars World Competition (42 applicants, 10 finalists).
- 20 startups are coming regularly to work at Ingenious City.
- Five out of eight offices are occupied.
- Sponsorship deals were signed with Vodacom, more under negotiation.
- Four large external events were held at the centre.
- ÉLAN successfully introduced Ingenious City to the Village Capital program for incubator management and to the African Business Angel Network.

Even though the purpose of Ingenious City is one of social impact, Fely and Francois remain entrepreneurs. Besides aiming to run the centre as zero-loss they have also created an investment vehicle, Sycamore Venture Investment, that has already started investing in a number of the startups working in the centre.

**Next Steps**

ÉLAN RDC and Ingenious City have made early investments in the development of DRC’s entrepreneurial ecosystem. The success of these early investments and development of other actors in the ecosystem will require continued support from national and international financiers and experts. This support will be needed for both Ingenious City, as a key actor in the ecosystem, and for the ecosystem as a whole.

**Ingenious City**

The creation of Ingenious City is a start, but the challenges become clear as an organization progresses. Not only does Ingenious City face budgetary constraints in its goal to be zero-loss, it needs help in developing and implementing a well-rounded training and development program for the entrepreneurs. Further sponsorship deals, as well as grants and pro-bono service arrangements will be needed to make the centre zero-loss.

Critically, it has proven difficult to find a suitable person to run Ingenious City on a day to day basis, as finding people with much needed experience in this field is difficult in DRC.
The ecosystem

When entrepreneurs emerge from the ecosystem (be it through Ingenious City or otherwise), offering good products and services with sound business plans, the next hurdle will be for financing. As we have seen above, the most logical source of funds will be high net worth individuals (HNWI) and diaspora investors. The HNWI, however, will need training and guidance in their roles as so-called angel investors in startups, as the skill set required for success in this field is quite different to those for more traditional investments. The model used in most other countries for this is that they form angel investor networks, something that as yet has not happened in DRC.

Ingenious City, itself, is uniquely positioned to be a resource in the development of the entrepreneurial ecosystem. They could be working with other ecosystem partners to:

1. Collect information on the ecosystem: number of startups, their stages and funding activity, keeping an updated ecosystem map of the actors
2. Lobby the tax authorities to allow startup entrepreneurs to grow without stifling them from the very outset
Glossary

Startup: a newly emerged business started by individual founders / entrepreneurs, aiming to develop a viable and scalable business model

Entrepreneurial ecosystem: group of people, startups in their various stages and various types of organizations in a location (physical or virtual), interacting as a system to create and scale new startup companies. Different organizations typically focus on specific parts of the ecosystem function and startups at their specific development stage(s).

Incubator: facility established to nurture young (startup) firms during their early months or years. It usually provides affordable space, shared offices and services, hand-on management training, marketing support and, often, access to some form of financing.

Accelerator: incubator focussing on startups that are in their growth phase, specifically on their requirement for investment and reaching scale

Appendix: Ecosystem map (see next page)
## DRC STARTUP ECOSYSTEM CANVAS

It takes a country to raise a startup

### 1. IDEA

**Inspire**
- Startup: Centralized local info, listings, news
  - startup.cd
  - wazo-tech.com
  - jilisha.africa.com
  - sangote.com
  - actualite.cd
- Inspirational Events: Open, inclusive beginner events
  - Liab, laboueurs du code **
  - Liab, café numérique **
  - Kinshasa Digital Week

**Educate**
- Best practices: Beginner knowledge-sharing events
  - Training & feedback:
    - Skill & idea development programs
      - Kinshasa Innovation Center*
      - FabLab (Kinshasa)*
      - EBIC (Kivu - vocational)*
      - Ascitech

**Validate**
- Team formation:
  - Resources & events for teaming up
  - Build First Product:
    - Hackathons below
    - Hackathons & resources to build
      - Congo Tech Days (L’bashi)
      - Kinshasa Hackathon (annual event)
      - HackXin (Liab)**
      - Mediation (Kinshasa)**
      - HackWasteKin*
      - FabLab (Kinshasa)*

### 2. LAUNCH

**Start**
- Establish:
  - Law firms & banks for startups
  - Workspace: Co-working and flexible workspaces
    - Ingenious City *
    - KOBO Hub *

**Develop**
- Formalizing: Accounting, Dev & HR
  - Guichet unique (Kinshasa, L’bashi)
- Prepare for seed:
  - Incubators & Advanced mentorship
    - Bakel (Kinshasa)*
    - Zair’innov (Kinshasa)
    - Start IT Congo (Kinshasa)
    - Connect (Kinshasa)
    - Cangola (Kinshasa - media)
    - Kinshasa Startup Academy (Kinshasa)
    - Kivu Entrepreneurs (Goma)
    - CONOLU (L’bashi)*
    - Congo iKho (Kinshasa)
    - Kinshasa Digital (Kinshasa)*
    - EIF entrepreneur (Mbanza Ngungu)
    - Kalissa (Kinshasa)
    - ProxTech (Kinshasa)
    - Hub RDC (Kinshasa)
    - Incuba2 (Kinshasa)
    - Media Lab (Kinshasa)**
    - KivuHub (Kivu)**
    - EBIC (Kivu - vocational)*
    - Echelon (Bukavu)**

**Launch**
- Seed accelerators:
  - Seed funding mentor programs
    - Pitch & demo:
      - Show startups for seed investment
        - Seedstars Startup Competition
        - Kinshasa Digital Week
        - Kinshasa Startup Academy
        - Get in the Ring Kinshasa (inactive)
        - Orange Entrepreneurs
        - TOTAL entrepreneurship competition
        - Festival Amori (Goma)
        - Kivu Nuvo (Goma - fashion)

### 3. Growth

**Recognition**
- Investor networking:
  - Connect founders & prof. investors
  - Makutano Network
  - Congo Millenium Business Club
  - FEDD RDC
- Major Media:
  - Mainstream local business press
    - actualite.cd
    - b-one television
    - Radio Okapi

**Funding**
- Angels / Micro VCs:
  - Seed stage investors
    - Sacomere Venture *
    - private investors
- Venture Capitalists:
  - Series A and beyond

**Infrastructure**
- Office space, HR, insurance & more
  - Ingenious City *
- Expansion:
  - Growth accelerators/consultants

### SUCCESS STORIES

Successful homegrown companies that have raised significant institutional funding, employ a large workforce, or have achieved liquidity.

Learn more about the Startup Ecosystem Canvas at [http://fl.co/canvas](http://fl.co/canvas)

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* recently started
** status unclear / inactive

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**Public organisations that facilitate local economic development**

- FPI
- ANAPI
- Ministere de PME
- Ministere du Plan
- Guichet Unique
- FEC
- COPEMCO / RESOJEC
- Elan RDC
- Hans Seidel Foundation
- Enabel
- JICA

**Local Universities:**

- Major business or technical universities
  - UNIKIN
  - UPC
  - Kinshasa Management School
  - Ascitech

**Local Employers:**

- Major technical employers
  - Vodacom, Orange, AirTel