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African startup ecosystem aims to be the next Silicon Valley – AfricaBusiness.com

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In just the first half of the year, African startups [secured \\$160 million in funding](#), surpassing the cumulative 2017 year of funding for the continent. The bulk of funding comes from Kenya-based startups (mostly in the fintech space), while Zimbabwe has seen a rise in blockchain tech startups.

Among the notable startups to close funding rounds were Cellulant, a digital payments solution company that [raised \\$47.5 million](#); Branch, a microlending platform that [raised \\$20 million](#); and off-grid solar power company M-Kopa Solar, which raised \$10 million. These startups, as well as the dozens of others paving the way, intend to revolutionize everything from farming to finance to healthcare.

In the continent, healthcare-based startups are particularly important. Ubenwa, which dubs itself as the “Shazam for babies,” allows users to examine a baby’s cry to identify major issues like asphyxia, which has caused many deaths across Africa. Early detection could save thousands of lives.

Over in Tanzania, Lilian Makoi launched Jamii, a micro-health insurance company that allows the low-income population to purchase health insurance policies for as low as \$1. The startup was launched after

Makoi's close friend lost her husband because they could not afford \$25 to access proper medical assistance. Of the \$750,000 they raised for expansion, half comes from investors, while the other half comes from grants.

Launching a startup isn't as complicated as it used to be, as many of the traditional hurdles have been eliminated. For example, tech equipment like refurbished nSpire laptops and other refurbished brands can be purchased at a fraction of the cost, while classes necessary to learn more about business and technology are free, thanks largely to major companies infusing their dollars into programs that do just that.

Over the past six months alone, 11 startup accelerators and incubators have been launched in Africa, with most of them concentrated in South Africa and Nigeria. These incubators programs are designed to take early-stage startups and help them grow, and each can cater to dozens of companies at once. What's most important is that they allow access to both local and worldwide investors, and mentorship from professionals whose guidance is invaluable.

Vice-President Yemi Osinbajo recently visited California to speak with tech investors about the future of opportunity in Africa, which he referred to as the "fourth industrial revolution." Over the course of his visit, he headlined several investment forums, visited Google headquarters, and spoke alongside LinkedIn co-founder Allen Blue.

As it turns out, Africa has the perfect potential to grow into the next Silicon Valley. One important reason startups and interest in their investments are growing are because of Africa's key demographics. The African population is around 1.2 billion, with 60% of them under the age of 24. The United Nations that the population will double to 2.4 billion by 2024. With such a big population, the startups of today can prevent

some of the major issues associated with spikes in population.

Even companies like Facebook and Google have spearheaded tech initiatives across countries in Africa in an effort to boost the local economy and leverage the hidden talents of African entrepreneurs. Google's Launchpad Accelerator Africa has supported over 100,000 developers and 60 startups since it was started and estimates that 2 million Africans will benefit from its digital skills training program (so far, 2 million people have completed the course).

Furthermore, in a blog post published by Google last month, the search giant announced it would be launching Africa's first-ever artificial intelligence research center in Ghana.

"We're excited to combine our research interests in AI and machine learning and our experience in Africa to push the boundaries of AI while solving challenges in areas such as healthcare, agriculture, and education," says Google.

Similarly, Facebook launched NG_Hub in Nigeria. Through this program, Facebook has pledged to provide digital skills training to at least 50,000 people in the country. Prior to that, Facebook founder Mark Zuckerberg had taken his first trip to Sub-Saharan Africa in 2016, where he visited a local incubator to learn more about the startup climate in the continent.

"I'll be meeting with developers and entrepreneurs, and learning about the startup ecosystem in Nigeria," he said to a crowd of people at CcHub. "The energy here is amazing and I'm excited to learn as much as I can."

For the people in Nigeria and beyond, Zuckerberg's visit proved to be a beacon of light. Afterward, he went on to invest \$24 million in Andela, a company that helps train African developers. African angel investor Idris Ayodeji Bello told CNN, "Mark's visit was a much needed external

validation of the sweat and immense efforts, mostly unsung, of the young Nigerians who have kept at it.”



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