

Bridge Fund by Digital Africa is now officially launched!

As investment market is contracting, Digital Africa and Proparco unveil a tailor-made tool to improve African digital start-ups' resilience

Paris, November 5th, 2020 - Available to young innovative African companies is now *Bridge Fund by Digital Africa*, a new financial instrument to help them mitigate the economic impact of the COVID-19 pandemic. Promoted by Digital Africa and deployed by Proparco, a subsidiary of the French Development Agency (AFD) dedicated to the private sector, this new “bridge finance” fund should enable digital entrepreneurs to continue their development between two rounds of fundraising. The project was very well received while being presented earlier today at a webinar bringing together around a hundred of selected participants, including a group of potentially eligible companies, with prospective co-investors and journalists.

In concrete terms, the selected companies will be able to receive a loan similar to a bridging loan, with attractive conditions and for a period of up to 24 months. The tickets, ranging from €200,000 to €600,000, will have to be co-financed by investors already active on the continent. As indicated by Tomi Davies, Chief Investment Officer at Greentec Capital, founding President of the African Business Angel Network (ABAN) and official Patron of the project: *“With this fund, Digital Africa demonstrates clear support for our most promising digital ventures on the continent by providing investors leverage on their existing investments. I encourage early stage investors and tech startups to consider this bridge between funding rounds alternative.”*

As for her, Digital Africa’s CEO Stéphan-Éloïse Gras put an emphasis on the reasons why investors should consider the digital economy as a major opportunity. *“There is no doubt about the role of technological innovations, as they can potentially transform all sectors of activity*



- which makes digital entrepreneurs one of the keys to Africa's economic recovery and makes the creation of this bridge fund even more relevant". The selected projects will thus have to put technology at the service of other structuring sectors of the African economy, such as agriculture and agricultural processing, access to and distribution of energy, education, health, financial inclusion, logistics, essential collective services such as water or waste management, and green mobility.

Companies keen to apply must also have been in business at least for the last 18 months, generate 75% of their turnover of at least €200,000 on the continent or have at least half of their teams working there. *"In addition, the targeted companies must have already demonstrated that their business model works and have successfully gone through a first round of fundraising. The approach we have chosen therefore really consists in supporting growth, or, in other terms, scaling up projects"* explained Johann Choux, Head of Venture Capital Investments at Proparco, during the presentation.

Being fully aware of the difficulties confronting high-potential start-ups, Digital Africa and Proparco have been working on a simplified and rapid process, both for reviewing applications, which will take no more than 8 weeks, and for formalizing contracts and allocating funds. The first step is a questionnaire to enable interested companies to check whether they are eligible or not, which is available on the website:

<https://bridge.digital-africa.co>

Investment structures interested in this project can already contact Digital Africa or Proparco to explore partnership opportunities.



About *Bridge Fund By Digital Africa*

This fund is designed as an innovative and effective response to certain specific challenges confronting young innovative growing companies, leveraging digital technology to support structuring sectors of the African economy.

With an amount of **€5 million**, this fund looks like the *French Tech Bridge*, with the aim of offering a kind of bridging loan, over a maximum period of 24 months, to companies whose fundraising process has been cancelled or delayed due to the global economic crisis and the contraction of the investment market. Tickets will be comprised between €200,000 to €600,000 and co-financed by recognised investors to create a leverage effect and multiply the impact of the fund.

bridge.digital-africa.co

They support *Bridge Fund by Digital Africa*:

- Comments from Khaled Ben Jilani, Senior Partner and Member of the executive Committee of AfricInvest: <https://youtu.be/4w49OpXHacU>
- Comments from Tomi Davies, Chief Investment Officer at Greentec Capital, founding President of the African Business Angel Network (ABAN) and official Patron of the project: <https://youtu.be/rCU5WR2YHjw>



Who is behind *Bridge Fund by Digital Africa?*

Behind this project are the Digital Africa Initiative and its partner Proparco, a subsidiary of the French Development Agency dedicated to the private sector.

Digital Africa

Digital Africa was launched in 2018 with **the mission to equip African tech entrepreneurs with capabilities to design and scale-up ground-breaking innovations for the real economy.** This initiative brings together partners of all nationalities - incubators, institutional financiers, venture capitalists, technology clusters - and all committed to African digital entrepreneurs, at the forefront of which is the Agence Française de Développement (AFD). Digital Africa has structured a series of programs around three main areas of focus:

1. **Assisting High Impact Digitally Enabled Startups**
2. **Sourcing and accessing African and Global Finance** to Scale up Projects
3. **Supporting Policies advancing innovative digital entrepreneurship** across Africa

More information at: digital-africa.co/en



Proparco

Proparco, the private sector financing arm of Agence Française de Développement (AFD), has been working to support development in Southern countries for 40 years. It plays a key role in AFD Group and the French cooperation mechanism: financing and support for projects led by companies and financial institutions in developing and emerging countries - from SMEs to regional banking groups, including microfinance institutions.

More information at: proparco.fr/en



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