seedstars

TRECC

# The State of EdTech in Ivory Coast

2018

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01

# Introduction

Foreword & Executive Summary

# Foreword from Jacobs Foundation

Dear Reader,

The TRECC initiative (Transforming Education in Cocoa Communities) was launched by the Jacobs Foundation in 2015 to improve the lives of children and youth in Côte d'Ivoire by supporting the government in achieving its strategic objectives to develop the human capital of the country. In order to achieve this ambitious goal, TRECC has been working hand in hand with the government, while leveraging the contribution of traditional actors in the education space as well as new actors such as researchers, the private sector and social entrepreneurs.

Many young social entrepreneurs in Côte d'Ivoire are already hard at work to harness the potential of new technologies to extend learning opportunities beyond the classroom but are struggling to be seen and to find the right support system. Through its Impact Finance program, TRECC wants to nurture the talent of young entrepreneurs and facilitate the growth of education start-ups in Côte d'Ivoire. Hence, it was only natural for us to turn to our long-term partner, Seedstars, to better understand the Edtech landscape in Côte d'Ivoire.

We are proud to share this report with fellow investors and ecosystem builders who have an interest in the Ivorian education space. Its purpose is to unveil the challenges faced by those committed to fulfill the promise of education as a key element for the development of their country, while also highlighting the investment opportunities that exist in Côte d'Ivoire.

We hope you will enjoy reading this report as much as we did and that, together, we can build a stronger ecosystem for education technology start-ups in Côte d'Ivoire.

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Lise Birikundavyi
Deputy Country Director
Impact Finance Investment Manager
TRECC

# Executive Summary

## Global EdTech Outlook

> ***"Give a man a fish and he will eat for a day. Teach a man to fish and he will eat for a lifetime."***
> Laozi (老子), ancient Chinese philosopher and writer.

For a layman, education is well regarded as a basic public right. For an economist, it is usually seen as a key driver for economic growth. For a sociologist it may be viewed as a way of forming a more cohesive social structure, transmitting core values or improving child well-being. For the UN, "Education is the key that will allow many other Sustainable Development Goals (SDGs) to be achieved."[1.1] Whoever you are, it is difficult to ignore the importance and potential impact of education.

Empirically, the World Bank Group policy paper by C. Montenegro and H. Patrinos[1.2] analysed data from 139 economies and concluded that the returns to schooling are consistently validated, with the returns to tertiary education the highest (14.6%), followed by primary education (11.5%) and with secondary education the lowest (6.8%).

Globally, EdTechXGlobal[1.3] estimates that the education industry is worth over $5tn, 8x the size of the software market and 3x the size of the media and entertainment industry. This explains why over $9.5bn was funneled into EdTech by investors in 2017[1.4].

From an educator perspective, a survey[1.5] of 481 education leaders in 10 countries found that EdTech greatly or satisfactorily improved student test scores in over 75% of cases when EdTech solutions had been highly adopted.

## EdTech in Ivory Coast

Despite most of the EdTech activity and investment happening in developed markets, the potential impact of technology in economies such as Ivory Coast is even more transformational. With just 43% of the population over 15 able to read and write[3.2] and only a 26% enrolment rate in secondary schools[3.3], education solutions can play a major developmental role. What impact is EdTech having in Ivory Coast? What are the challenges blocking the entrepreneurs from transforming the industry? In this report we dive into the sector to answer these questions through surveys, interviews and data.

In reading this report it will become apparent that the EdTech ecosystem in Ivory Coast is still nascent and the community almost non-existent. There is yet to be an EdTech startup to raise significant capital or reach considerable scale. In fact, just 18 startups in the education space were identified of which 11 are in the revenue generating stage. Grants of insufficient size are the main source of funding and there is a general lack of know-how about fundraising by founders.

On a more positive note, this report outlines various sectors for EdTech startups that have an attractive market size without having to go cross border. Education is a core government policy and various NGOs are active in the space. Talent is available in the market to build a successful startup so long as it can be paid for. Although the current funding situation is poor, there is a large and growing pool of investors active in Africa that are definitely within reach.

The report outlines various recommendations for the ecosystem: from encouraging more community collaboration, to developing the angel investor activity, to incentivising regional investors to step into Ivory Coast. Fortunately, both authors of this report are in a position to be part of the solutions and are keen to work with the other stakeholders towards a more impactful EdTech ecosystem.

02

# Objectives

## Exemplary EdTech Ecosystems

# The Components of an EdTech Ecosystem

In order to analyse the state of EdTech in Ivory Coast, it is helpful to have an objective in mind. The ultimate goal is **SDG4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.** To achieve this goal, both Seedstars and TRECC are seeking to support key enablers such as high-growth EdTech startups.

EdTech startups may exist in isolation but will grow and thrive in an ecosystem that contains certain building blocks. The components of an ecosystem considered to be of critical importance are shown in figure 2.1 and each will be analysed in depth in the context of Ivory Coast.

For each of the components: Market, Entrepreneurship, Community, Support & Adoption, Funding and Startups, having an objective in mind can help give direction and therefore we look towards more mature ecosystems for inspiration over the following pages.

The **Market** is the one component that is inherent to the ecosystem and cannot be altered in the short term. It is critical for high growth startups to have a big enough addressable market - be it measured by universities, schools, study abroad students or salaried employees. As a rule of thumb, a serviceable available market of $100mn or more is of interest to founders and investors.

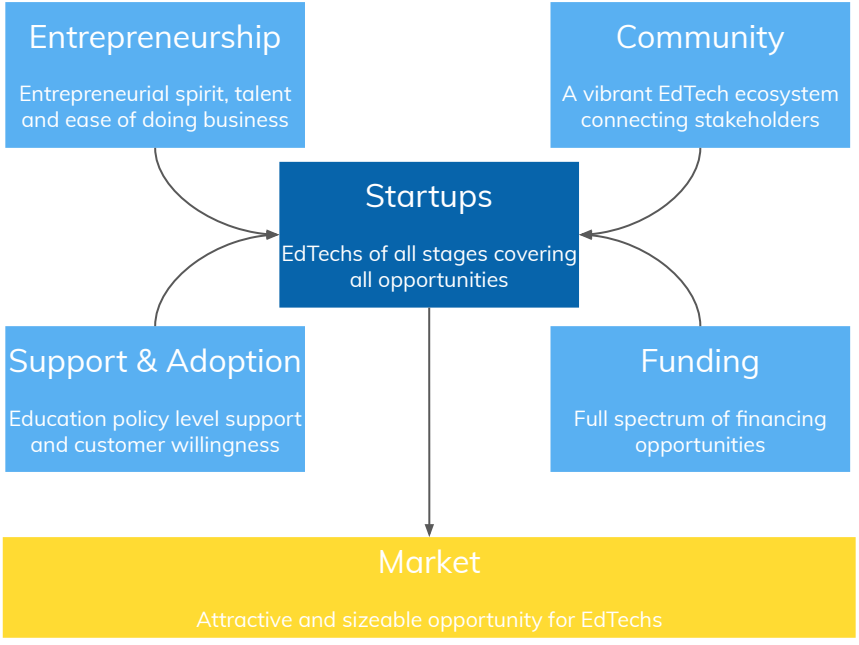



*Figure 2.1*
**The components of an EdTech ecosystem**

# Learning from the Best

The **Entrepreneurship** block analyses the entrepreneurial culture and ease of doing business in the broader sense of the ecosystem - not just limited to EdTech. For the analysis, this report uses the Seedstars Index, a framework that has been applied to over 65 ecosystems around the world using Silicon Valley as the exemplary ecosystem.

The **Community** element refers specifically to the EdTech sector and is critical for stakeholder collaboration. A vibrant community will have regular EdTech events, EdTech programs, known role-models, active mentors and dedicated media outlets. Cities such as London can be looked to for inspiration. London, for example, hosts several world-renowned EdTech events such as Bett, an industry show with over 34,000 attendees; or London EdTech Week, a week-long festival with over 40 event hosts and over 6,000 attendees. The city also claims a dedicated EdTech co-working space (EdSpace) and acceleration program (Emerge Education).

**Support & Adoption** refers to education policy level support and customer adoption readiness. When it comes to aspirational government education policy, Finland must be referenced given their rapid rise to the top of the education ranks following a bold decision to focus on public education in 1963. Years of reform included successful moves such as requiring every teacher to earn a master's degree (similar to doctors and lawyers) thereby elevating the role in status and esteem.

Government policy can set the direction and empower educators, but for many EdTechs, teachers are the gatekeepers. Facilitating EdTech adoption is an area that several organisations in the UK are tackling. ResearchED focuses on bridging the gap between research and practice by hosting events for researchers, teachers and policy makers for the K-12 sector. EDUCATE, a program housed within the UCL Institute of Education, connects the EdTech community to top education research and practice professionals facilitating the creation of credible products and the adoption within the sector. Over 100 EdTech startups have completed the program since its launch in 2017.

The **Funding** component in the ecosystem is critical in allowing startups to experiment, build and ultimately scale. A full specturm of funding mechanisms are required, ranging from grants to angel, seed and venture capital. Analysis from Metaari[2.1] showed EdTech investment reached new highs in 2017 with a total of $9.5bn invested and with 55% of funding coming from the US. Of the 10 most active EdTech VCs from 2012-2016, 4 were focused uniquely on the sector (NewSchools Venture Fund, Learn Capital, Rethink Education, TAL Education Group) and 2 had positive screening for EdTech[2.2].

**Startups** are the desired output of the ecosystem and here, again, the mature ecosystems in the US and China can be turned to for inspiration. Data from Navitas[2.3] showed Beijing to be home to 3000 EdTechs and the Bay Area home to 800. Even using more comparable cities like Nairobi, the number reached 100. Of all the EdTech startups analysed across 20 ecosystems, just 7% have raised more than $1mn, demonstrating the difficulty in scaling a business, even in more mature ecosystems, and perhaps the importance of failure in the search for success. Encouraging more entrepreneurs to start a business and helping them succeed should be the common goal of the ecosystem with each component (Entrepreneurship, Community, Support & Adoption, and Funding) playing a distinct role.

03

# Market

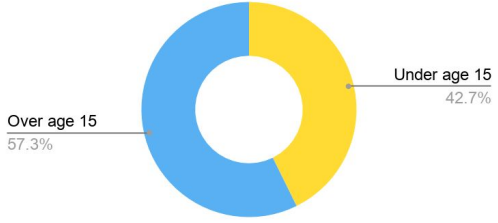
## Education Market Insights

# Education Sector Overview

## Demographics and literacy rate

Ivory Coast has a population of about **23.7 million** and an annual population growth rate of 2.5%. The total fertility rate is around **5.1 children per woman**. **Life Expectancy is 51.9 years**, and Infant Mortality relatively high at 74 deaths per 1,000 live births. The dependency ratio is **84 dependants** (ages 0-to-14 and 65+) per **100 working-age adults** with 42.7%[3.1] of the population under age 15.

*Figure 3.1*
**Population split by age**




In 2015 43.1% of the population aged 15 and over could read and write. At the same moment, Senegal (57.7%) and Nigeria (59.6%) had a higher literacy rates, while Kenya (78%) and South Africa (94.1%) were far ahead. In Ivory Coast, the literacy rate is commonly higher among men (53.1%), who generally have the opportunity to study longer than women (32.5%).[3.2]

The school-age population at pre-school represents 2,001,563 children aged 3-to-5 years with a gross enrollment rate (GER) of 9.4%. 3,983,964 children aged 6-to-11 are eligible for primary school education, while 2,274,205 children aged 12-to-15 are eligible for secondary schooling (1st cycle) with respective GER of 100.5% and 70.52%. Moreover, 506,729 teenagers are schooled in high school (secondary school 2nd cycle) with a GER of 35.78%.[3.3]

## Education sector overview

There are considerable **disparities in the quality of education** to which students have access, with large differences between the public and the private sector, but also rural areas and cities. Nearly 43% of public education resources are appropriated by the top 10%. Boys consume 20% more resources than girls, and urban people 2.3 times more resources than rural people.[3.4]

Almost all public teachers have theoretical and pedagogic training, unlike those in the private sector. For instance, in primary schools in 2016/2017, **8 teachers out of 100 are employed without any pedagogical training**. This proportion is **7.5 times higher in the private sector** (28.2%) than in the public sector (3.8%).[3.5] In all teaching cycles, teachers without the needed educational and sometimes academic skills are employed. This situation is observed especially in the private and the community institutions. This raises a real problem when we know the strong influence that the qualification and the knowledge of the teacher can have on the students' achievements.

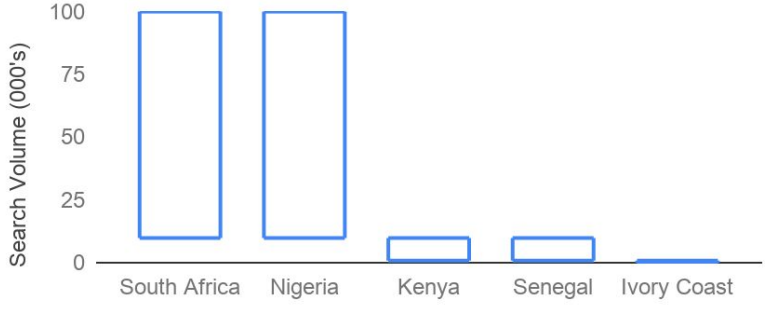
To fill the gaps created by these imbalances in the quality of education provided, home tutors are widespread in Ivory Coast as in other countries of the sub-region. They are commonly named **“Répétiteurs”**. They help children review their lessons and prepare their homework. Previously these courses were mainly taught by graduate students. The teachers also offer private lessons, at much higher rates nonetheless. Here again, the quality and the academic background of the home tutors are a concern. Nevertheless, the demand is such that some structures, such as Academix, have emerged to connect “répétiteurs” and families.

# EdTech Market Overview & Privatization

## Description of the market size and growth

Although Ivory Coast seems to be a country where EdTech companies would be able to fill some gaps and inequalities in the education system, the EdTech market remains nascent. Structural difficulties can partly explain this, but we also note that there is no real market demand at the moment and that the actors are still few. By way of comparison, the terms “education” and “technology” are much more popular, according to Google Keywords Planner, in South Africa, Kenya and Nigeria, which appear as continental locomotives, and even in Senegal, the other French-speaking driving force behind growth in the West African economy.

*Figure 3.2*
**Google monthly average searches for keyword “Education”**




The country's internet penetration rate partly explains this limited attraction for EdTech. If Kenya leads with 85% penetration rate, the other countries mentioned above exceed 50% where the Ivory Coast reaches a mere 26.3%. Thus, with 10 million inhabitants fewer than the Ivory Coast, Senegal nevertheless had 3.5 million more internet users as of December 31, 2017.[3.6]

## Privatization of education

There are three main forms of private education in Ivory Coast: denominational private, secular private and community school. Community schools are generally located in rural areas, and monitored by parents who finance a non-tenured teacher. Given the increasing privatization and commodification of education and the increasing number of private institutions in the country, a study on the impact of these trends on the Ivorian education system has been conducted. This study has provided evidence on the need to regulate and control the activities of for-profit schools in the country.[3.7]

In fact, many families cannot afford school fees, and the private provision of education implies the exclusion of a large number of students from the education system. The causes of this privatization of education in Ivory Coast are numerous. The economic crisis of the 1980s and the sharp reduction of public resources with the fall in prices of export products that followed were the triggers. The very important demand for education due to a high demographic pressure and the governance problems leading to a lack of transparency in terms of human and financial resources also led to this gradual privatization of education in Ivory Coast before the emergence of military-political crises. The result has been a drop in the public education supply, a situation of over-crowded classrooms, a deterioration in the level of learner acquisition, an increase in school drop-outs, and the proliferation of school "shops" that escape any pedagogical supervision from educational authorities.[3.8]

# Educational Facilities in Ivory Coast

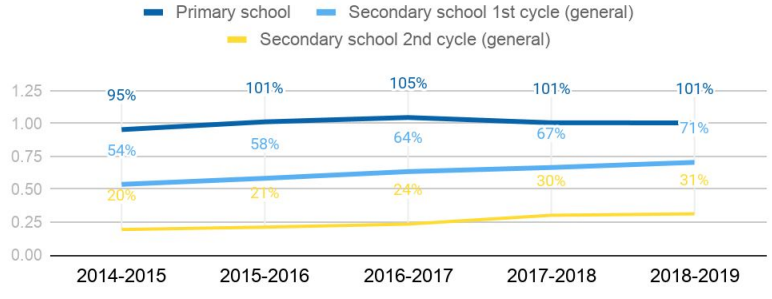
## Pre-school to High school

Ivory Coast offers its 9,675,967 children 23,068 education institutions from pre-school to high school. In 2018/2019, there were 42 students per classroom for primary and 54 students per instructional group for secondary school.[3.3] In comparison, there are more than 50 students per class in primary schools in a third of the african countries with data.

*Figure 3.3*
**Number of classrooms by type and stage IN 2018/2019**

| | Pre school | Primary school | Secondary school |
|---|---|---|---|
| Rural | 1 886 | 55 176 | |
| Urban | 5 156 | 40 690 | |
| Community | 33 | 2 287 | |
| Private | 2 186 | 15 950 | 28 810 |
| Public | 4 823 | 77 629 | 11 688 |
| Total | 7 042 | 95 866 | 40 498 |

*Figure 3.4*
**Gross enrollment ratio evolution from 2014/15 to 2018/19**




During the period from 2014/15 to 2018/19, we find that the Gross Enrollment Ratio (GER) to primary school experienced an average annual growth rate of 1.2%. The GER to secondary school is much lower than primary school. However, it is gradually improving. Student enrollment at all levels of education increased steadily from 2014/15 to 2018/19. They went from 4,348,473 to 6,348,683 which equates to an average annual growth rate of 7.8% over this period. 65.1% of the school-age population actually attend schools.[3.3]

## Higher education system and non-formal learning

The **higher education system** includes conventional schooling and vocational training. In 2014 Ivory Coast had 5 public universities gathering training and research units including INPHB (7 schools) and ENS (training of teaching staff working in secondary education); 27 private universities; and 153 private business school.[3.4]

**Vocational training** is another option after the high school diploma. These courses are mainly managed by the private sector with 29 specialised schools currently offering this service.

**Non-formal learning** is steadily making its way into the education system. NGOs, public structures in rural areas and, more recently, several startups are the main actors in this sector. Public institutions organize mobile training units for vocational training, workshops for the development of craftsmen, logistical support to young graduates, and literacy centers to acquire the basics of reading, writing and numeracy. There is also informal training, such as traditional apprenticeship training, where apprentices work in a workshop or company with a master apprentice.

# Estimated Market Size for Various EdTech Segments

In this report, the EdTech startups are split broadly into four categories:

- School Tech
- E-learning (primary/secondary)
- E-learning (tertiary)
- Career Development

As mentioned already, to build a startup at scale, a serviceable addressable market of $100mn would represent an interesting opportunity. Taking the four startup categories above and using various assumptions, estimates can determine the attractiveness of the models based on key drivers as shown in Figure 3.5 below.

Based on this high-level analysis, it is demonstrated that the market segments range from $30mn to 120mn. Other factors, such as the ease of accessing the market, the stickiness of the product, the lifetime value and the market growth also need to be taken into account by entrepreneurs considering operating a new business in one of these segments.

| | School Tech | E-learning (primary / secondary) | E-learning (tertiary) | Career Development |
|---|---|---|---|---|
| Key Drivers of Market Size | Private primary/ secondary/ high schools<br>+<br>Large public schools | Students in primary/ secondary education from middle/high-income family (>$4/day) | Students in tertiary education | Formal jobs created + existing formal jobs turnover (around 20%) |
| # Potential Customers (A) | 5,000 - 10,000 | 1,000,000 - 1,500,000 | 150,000 - 200,000 | 150,000 - 190,000 |
| Assumed Annual Pricing (B) | $1/student/mth, avg. 500 students = $6,000 p.a. | $5/student/mth,<br>= $60 p.a. | $50/student/mth<br>= $600 p.a. | $200/placement, avg. monthly salary $200 |
| Estimated Serviceable Addressable Market (A * B) | **$30mn - $60mn** | **$60mn - $90mn** | **$90mn - $120mn** | **$30mn - $38mn** |

*Figure 3.5*
EdTech Market Size Estimates

04

# Entrepreneurship

## The Fuel of EdTech

# Measuring the State of Entrepreneurship

## Seedstars Index

At Seedstars, the objective is to create, support and accelerate more startups (also defined as high-growth ventures) in emerging markets. These startups bring disruptive models to large markets and, in addition to the digital transformation, they contribute to economic growth. For example, just 6% of high-growth companies in the UK shown to contribute to over 50% of job creation[4.1].

Having more successful high-growth startups requires a functioning entrepreneurial ecosystem. In order to facilitate this objective, Seedstars developed the Seedstars Index (SSI) to measure the quality and maturity of each ecosystem. The pillars of the SSI are the three factors believed to be fundamental in building a successful entrepreneurial ecosystem: **Culture, Environment and Opportunity**. These factors form the foundation of an ecosystem and permit **Success** cases, which are both the desired output and the catalyst of an ecosystem.

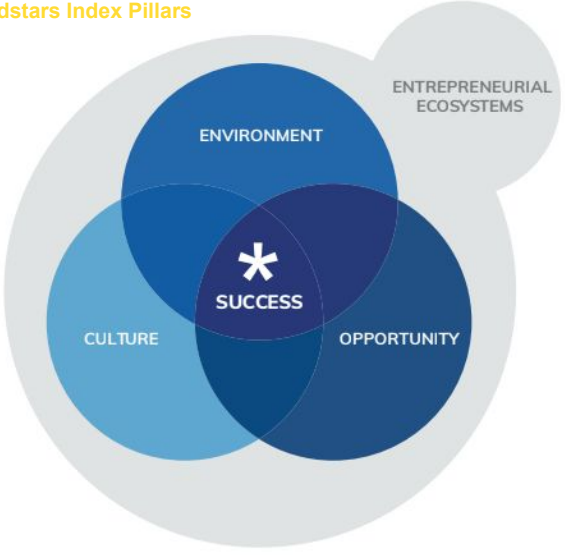
If the right **culture** does not exist, no one will even consider entrepreneurship as an option and new ventures will not take shape. An entrepreneurial mindset is critical, while a fear of failure can be crippling.

Without a conducive **environment**, new ventures will be suffocated by harsh business conditions. If administration and legal systems are not facilitative, business and investment will suffer. Reliable, affordable electricity and internet are critical.

No venture can thrive without an **opportunity** to grow in local and foreign markets, which requires talented team members, expert mentoring and access to funding.

**Success breeds success.** Successful businesses provide employment opportunities and economic growth, and therefore should be the targeted output for any ecosystem. Success is also the catalyst of an ecosystem as entrepreneurs lead by example, become role models, invest, mentor and lobby for change.

*Figure 4.1*
The Seedstars Index Pillars



# Entrepreneurship in Ivory Coast

## Ivory Coast vs Peers

The results from the 2017/18 edition of the SSI showed that the entrepreneurial ecosystem in Abidjan performed roughly on par with the average results from the African continent.

Figure 4.2 below indicates the SSI scores of Abidjan against the regional average and the two leading African ecosystems, Cape Town and Nairobi. Scores for each pillar and the overall scores given next to the city are out of 100 points.

The **environment** in Abidjan was found to be slightly more supportive than average (+2.2) while the **opportunity** was measured to be slightly less attractive (-3.6). In the pillar of **culture**, however, Abidjan was 9.6 points below the average, demonstrating a large lack of entrepreneurial activity and spirit.

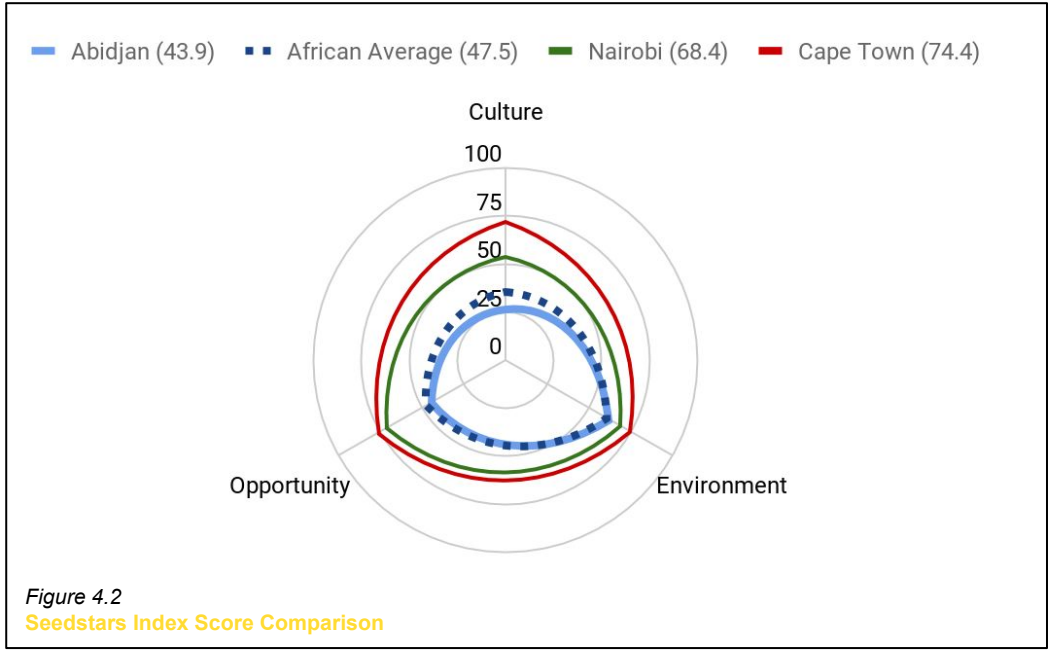



*Figure 4.2*
**Seedstars Index Score Comparison**

# Entrepreneurship in Ivory Coast

## Culture

The entrepreneurship culture is not yet positive enough in Ivory Coast. Based on the SSI scores, the **mindset** is not favorable to entrepreneurship as it is not considered to be a valued career choice. The **collaboration** between ecosystem actors has been limited so far and in 2016, 2017 and 2018 the SSI rated this factor as average (score 3/5). Tech **events** are happening only on a monthly basis and in 2018, there were about 10 events which gather more than 100 people around tech. Mainstream **media** does not often cover startups, however about **10 blogs** cover entrepreneurship and tech, e.g.: Alassaut, l'Actu Web d'Edith, Aboukam.net. Some non-tech entrepreneurs are seen as key **role models** for the younger generation e.g. Stanislas Zeze, Jean and Jeanine Kacou Diagou.

## Environment

In terms of infrastructure, the Ivorian government has announced that the energy sector is one of its priorities. In the cities the electricity is stable although ¼ of the overall population does not have access to it. In 2015, the government announced a 160-million euros project to set up a fiber optic cable.

In terms of ease of doing business, while the administrative processes are lengthy for an entrepreneur, there are promising improvements. For instance, the government has developed a Schéma Directeur National to support TIC and simplify creation of tech companies (Horizon 2020).

According to Transparency International[4.2], Ivory Coast ranks 103/180 in terms of corruption, but most governance indicators point to progress made in recent years to control corruption.

## Opportunity

With Ivory Coast being an economic hub in West Africa, entrepreneurs do have a number of opportunities..

The country benefits from an important diaspora that wants to invest into the country. In 2017, 5% of the population lived abroad and contributed up to 1.1% to the GDP.

A technology park, Vitib SA (Village international pour les technologies de l'information et la biotechnologie) has been launched by the government near Abidjan and several projects should be launched in 2019. In addition, the local development of regional tech enablers is a very good signal for the ecosystem (Seedstars, MEST, Simplon...).

In term of funding, there are multiple active players in the country and region, but only a limited number of EdTech startups have raised funds.

## Success

There are some traditional entrepreneurs who inspire Ivorian youth such as Stanislas Zézé, the founder and CEO of ratings agency Bloomfield Investment Corporation, or Jean Kacou Diagou, founder of NSIA.

In the tech world, the role models are less prominent. Parfait Ouattara, co-founder of Taxijet, is one of the few success stories often mentioned by entrepreneurs.

05

# Community

## EdTech Community Vibrancy

# Tech & EdTech Community Overview

## Overview

Within the immature tech community, the EdTech community is almost non-existent in Ivory Coast. There are no dedicated support programs for EdTech startups and the few events that are EdTech specific are not frequent enough or well known enough by entrepreneurs to make a lasting difference.

8 actors in the community can be identified:

- code schools,
- maker spaces,
- co-working spaces,
- incubators / pre-acceleration / training programs,
- acceleration programs,
- events and conferences,
- media and blogs, and
- role models.

## Code Schools

The availability of tech talent is critical for startups so it is positive to see a number of code schools operating. The code schools in Ivory Coast are NGOs, public programs or social entreprises. She is the Code started in 2015 and two additional ambitious initiatives have been announced in 2018: Simplon.co and Coding for Employment Program led by the African Development Bank. One recommendation for the EdTech startups reading this report would be to forge strong relationships with the Code Schools to develop a recruitment pipeline.

## Makerspaces & Co-working

With regards to the provision of convenient office space and a natural community, at least 5 spaces exist, which target entrepreneurs and position themselves as “innovation spaces”. They are all located in Abidjan. Bouaké - the second largest city of Ivory Coast - has not yet attracted such spaces.

## Incubation & Acceleration Programs

The majority of support programs are incubation or pre-acceleration programs. They focus on providing working space, expertise and network to the startups. The lack of support for more advanced startups (i.e. Acceleration Programs) can be explained by the youth of the ecosystem with a very limited number of mature startups.

## Events & Conferences

A key element of a vibrant community is the number of events which facilitate the creation of a network, permit knowledge sharing and raise awareness of specific topics. In Ivory Coast, several tech events take place in Abidjan as well as small meetups, however, the ecosystem is a long way from being vibrant.

## Media & Blogs

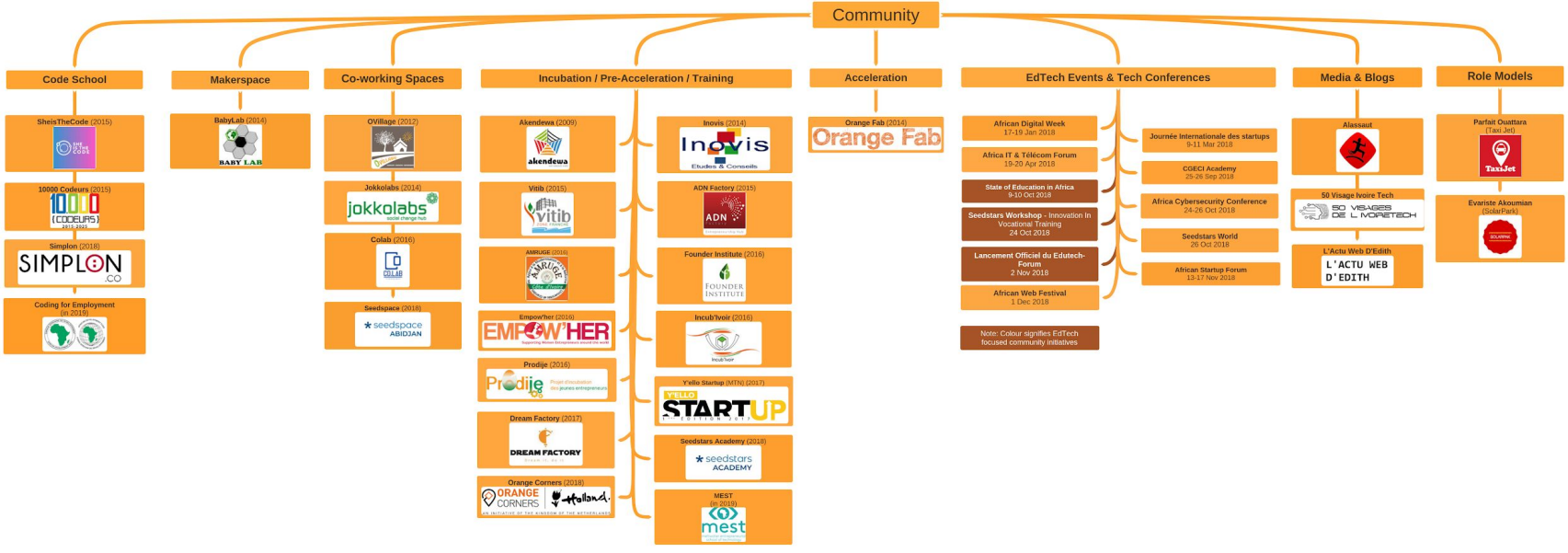
Media and blogs are important actors in the tech community. They actively participate in the promotion of innovative projects and development of content to help external actors to understand an ecosystem. Several Ivorian blogs are dedicated to tech news. Among the well established blogs led by Ivorian influencers such as Edith Brou or Marck Andy, new tech blogs continue to emerge such as Ticnew.net which launched at the end of 2017.

Mainstream media normally do not cover tech, with the exception of the monthly TV show “Réussite” on Canal+, broadcasted during prime time, which showcases economic success from the continent, including startups.

## Role Models

Successful EdTech entrepreneurs who act as role models for the ecosystem have not yet surfaced. Lamine Barro from Etudesk and Raissa Banhoro from Banhoro Services Group benefit from visibility thanks to national or continental competitions and prizes that they have won, and may fulfill this spot in the future.

# Tech & EdTech Community Overview




View the full map online at [seedsta.rs/icmap](seedsta.rs/icmap)

*Figure 5.1*
Ivory Coast Tech Community Map

# EdTech Community Events

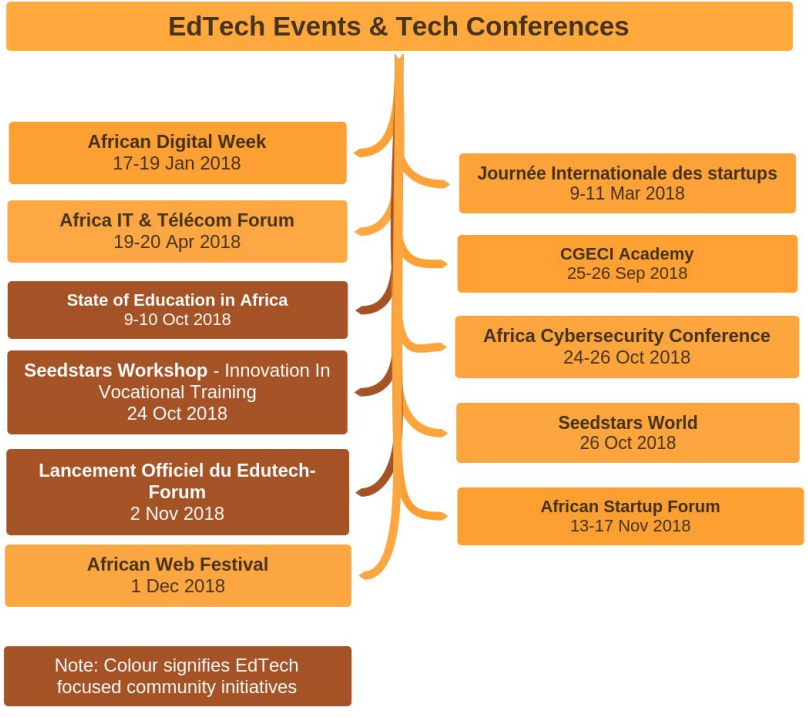



*Figure 5.2*
EdTech Events and Major Tech Conferences (>100 people)

View the full map online at seedsta.rs/icmap

## Overview

Events play an important role in an ecosystem by pulling together stakeholders, forging relationships and transferring knowledge. However, in Abidjan, just 10 tech conference gathering more than 100 people took place in 2018 (and 1 smaller EdTech event). Mostly the events are general tech conferences gathering officials, corporates, entrepreneurs and scientists.

Encouragingly, 3 out of the 11 events identified were dedicated to EdTech, however, they had a limited reach. Indeed, the majority of the EdTech entrepreneurs interviewed for the report had not gone to a tech event in the last 6 months and were often not aware of these events.

Lamine Azinakou, CEO of Lulla "I don't know any EdTech events. In fact, I don't know the EdTech community here."

## Recommendations

**1) Regular EdTech Meetups**: meetups with 10-50 people are cheap and easy to organise and can really help build an ecosystem. Running a regular series of focused EdTech meetups will facilitate dialogue between stakeholders in the industry. Such a project has been developed and should be implemented soon.

**2) Regional EdTech Event**: Organising a regional EdTech event would permit networking with startups and stakeholders across the region and also encourage investors to come and learn more about Ivory Coast (a key challenge identified in the Funding section).

# Pre-Acceleration and Acceleration Programs

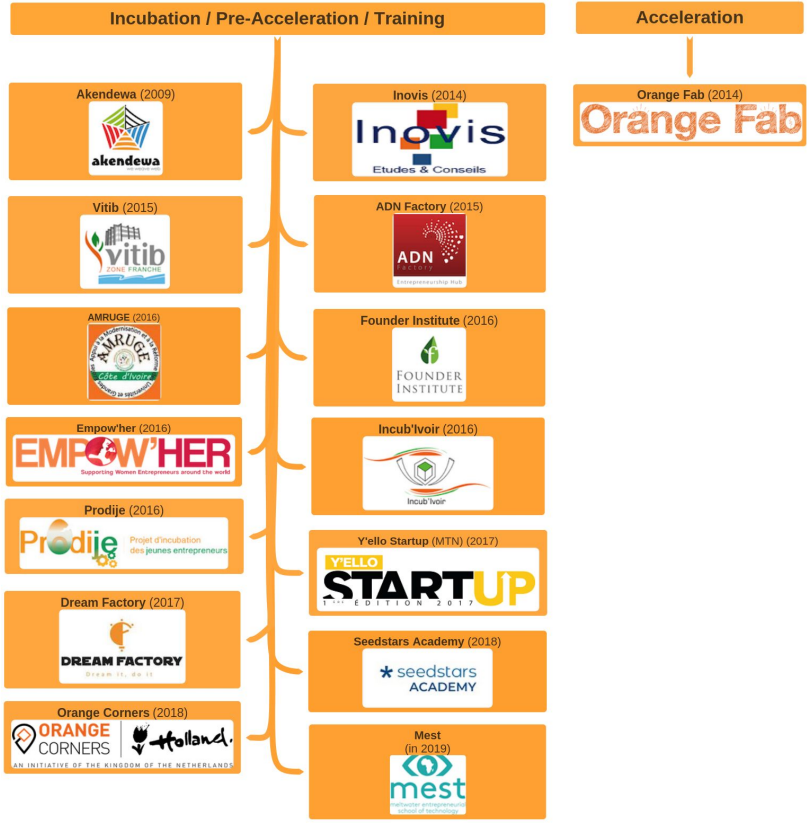



*Figure 5.3*
Pre-Acceleration and Acceleration Map

View the full map online at seedsta.rs/icmap

## Overview

There are about 15 different programs to incubate or accelerate startups in Ivory Coast although none are 100% EdTech focused. Of the programs, there are two public initiatives, Vitib and Dream Factory, which demonstrates the support of the government in entrepreneurship. Some of the initiatives are run as not-for-profit organisations such as Akendewa. The involvement of corporates in the tech space is led by telcos as shown by the existence of Orange Fab and Y'ello Start (MTN) incubation programs. About half of the programs started abroad (e.g. Founder Institute) and have been replicated in Ivory Coast.

The targets of these programs are: early stage startups, aspiring entrepreneurs and students from university.

In 2018, the ecosystem has seen a promising growth with the launch or announcement on new initiatives like MEST (2019), Orange Corners or Seedstars Academy. Given the nascency of the overall ecosystem, the incubation and acceleration offering is substantial.

## Recommendations

**1) Specialise:** Programs should make sure they do not target the same kind of tech entrepreneurs and propose the same support. Incubators and accelerators should design complementary programs, for instance based on different sectors. To do that, efficient communication between the actors is required.

**2) Localise:** Most of the programs are in Abidjan. A recommendation to the ecosystem would be to include the rest of the country.

**3) Engage Universities:** Universities should largely be involved in these programs to guarantee that innovations from Ivory Coast emerge.

06

# Support & Adoption

Is there a supportive environment towards EdTech?

# Education Institution Commitment & Adoption

## Government support

Since September 2015, **schooling has been compulsory for all children** of both sexes aged between 6 and 16 years old (**PSO: "compulsory schooling policy"**). This policy is part of the development strategy of Ivory Coast which makes education one of its main drivers.

The Ministry of Education has been endeavoring to extend the access to training for all children between the age of 6 to 16 years. Be that as it may, enrolment rates have not expanded significantly and, notwithstanding when children enlist, participation is low. Both the young and grown-up education rates are very low in Ivory Coast. One way to advance instruction and learning is to **increment parental attention to draw in guardians in their youngster's education**. This idea gave birth to the collaboration of **TRECC** (Transformer l'Éducation dans les Communautés de Cacao), **MGOV** and the **Ministry of Education**, allowing schools to send notifications and messages through cell phones to students and parents. The text-based version of this intervention has been shown to be effective in Brazil and communication with parents had a positive impact on children's attendance and test scores.

Among the accompanying measures of the PSO, the **training and the recruitment of teachers** has been selected as a priority. Indeed, if all school-aged children have to attend school, it is imperative to have additional teachers providing courses. From **2014/15 to 2016/17**, the number of teachers holding classes **increased from 84,919 to 104,493** in schools and public institutions, regardless of the level of education, an average annual increase of 10.9%. In the private sector, over the same period, their number has evolved to an average of 6.5% per year.[6.1]

## Commitment from schools to improve/adopt tech

With the financial support of the second **debt reduction and development contract** (C2D) **Education / Training,** concluded between France and Ivory Coast, the **Université Virtuelle de Côte d'Ivoire** (UVCI) joined forces with France Université Numérique (FUN) to develop its **MOOC (Massive Open Online Course)** offering and have a **platform to manage its distribution**. The objective of this platform is to diffuse online courses produced by the UVCI and its partners to the Ivorian people and more broadly to the African public. Gathered on the same platform, these online courses will be even more visible and identifiable to the public, facilitating the **promotion of content and creating a community of learners**.

The **International University of Grand Bassam** (IUGB) is an independent not-for profit institution replicating the American higher education system. Since 2014, the IUGB has integrated the **STEM (Science, Technology, Engineering and Mathematics) program into its educational system**. An entire department is dedicated to this program. Thanks to the American cooperation, the IUGB has been equipped with cutting-edge equipment and nearly a hundred young people are now enrolled.

The third establishment to note is the **Institut Raggi Anne Marie** (IRMA) of Grand Bassam. The **IT Academy program** offers content and training resources on Microsoft technologies and software as well as **Microsoft certifications** to help students gain knowledge and computer skills for their future professional career. Depending on the program (Advanced or Essential), the resources available to students include, among other things, an **e-learning portal**, MCP & MOS exams, access to the **Microsoft Developer Network Academic Alliance** (MSDNAA) program and a TechNet Discount.

# Other Support and Adoption

## Support from NGOs

**SOS Children Villages,** an Austrian organisation working to provide quality care for every child, has a specific and strong bond with Ivory Coast. **Abobo Gare Village**, in the north of Abidjan, is the first SOS Children's Village ever launched by the NGO in Africa. Education plays a central role in this project since the village is composed of a **pre-school with around 100 children**, and a **primary school** bringing together more than 200 children. Today, in addition to Abobo Gare, two other Villages are implanted in **Aboisso and Yamoussoukro** both providing full education facilities.

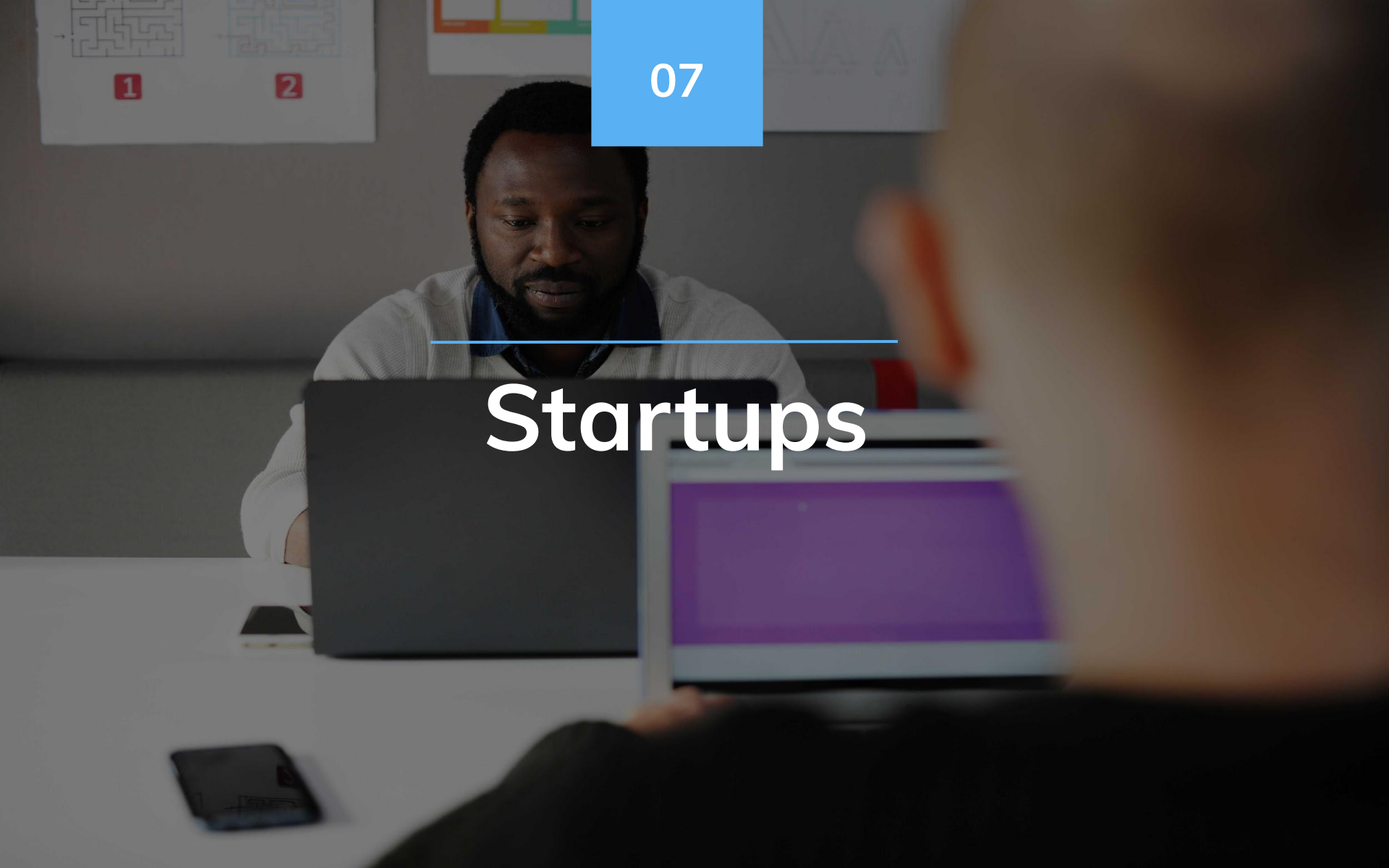
In 2014 the French non-governmental organization **Bibliothécaires sans Frontières** (BSF), in partnership with **BabyLab**, provided 200 young children with **computer and code initiation courses** for 15 months. BabyLab is a **FabLab located in Abobo** municipality in the north of Abidjan. This project called **Kid Lab** continued thereafter with the aim of training children aged 8-to-15 years in coding, robotics and electronics. It inspired other actors such as **Bora Kids**, which aims to introduce computer code initiation in schools through partnerships in different municipalities of Abidjan.

Several other NGOs such as **Aide et Action** or **Culture et Development** are also present in Abidjan. The first one aspires to **train teachers in computing and digital skills** while the second aims at developing a **FabLab low tech in Yopougon municipality**.

## TRECC

**Transforming Education in Ivory Coast** is the mission that the Jacobs Foundation, the UBS Optimus Foundation and the Bernard Van Leer Foundation wish to help fulfill through the TRECC program. TRECC is always looking for **public and private partners** to enable the creation of an ecosystem that **promotes access to quality education** for the greatest number of people, with a particular focus on cocoa communities. About CFA 30bn will be invested through this program to support improvements in both early childhood development and quality of education. This program is in line with the compulsory schooling program set up by the Ivorian government.

The TRECC program mobilizes twelve leading companies in the cocoa and chocolate industry, 20 civil society organisations and academic institutions, 5 innovative market-based initiatives as well as 3 foundations. The cocoa farmers are at the center of this strategy that aspires to ensure access to training, better crop plants and fertilizer for some 300,000 cocoa farmers in Ivory Coast and Ghana by the year 2020. One of the main missions this strategy strives for is also the empowerment of “communities through education, child labor monitoring & remediation, and better gender parity”[6.2].



07

# Startups

# Ivory Coast EdTech Startups

## Ivory Coast Startups vs Other Ecosystems

By comparing the EdTech startups of the Ivory Coast to a number of more mature ecosystems, the innovation gap becomes clear. As shown in the figure 7.1, Abidjan hosts just 18 EdTech startups and currently lacks maturity with not one raising more than $1mn.

## Maturity

Almost all of the startups have been launched after 2016 illustrating a growing interest from entrepreneurs and the recent birth of EdTech in the country. According to the results, 11 out of the 18 EdTech startups are revenue generating with the remainder being at idea or prototype stage.

## Team

Startup teams work with an average of 4 members. Based on our survey, 60% of the founders have already had previous experiences in education, most of them via mentoring activities as a secondary activity. There are no Ivorian teachers among founders. At least 3 founders are computer specialists with full-time jobs, who work on their startups during weekends and after working hours. Among the 18 startups that we have identified, only 3 have been founded by women.

## Sector

Four categories of EdTech solutions are used in this report:

- School Tech,
- E-learning for primary/secondary education,
- E-learning for tertiary education, and
- Career Development.

61% of the startups have chosen to develop e-learning solutions that target the end user directly and avoid the longer sales cycle associated with selling to a school. These are also considered as the biggest market opportunities as per the analysis on page 13.

The School Tech category is estimated as the next largest market opportunity but currently has just 4 startups offering solutions directly to schools such as learning management systems (LMS), tablets and web/mobile applications. These solutions help school administrations to create, deliver and track their education plans. Given the difficulty of selling to schools, without further support and adoption (as discussed in section 6), it is unlikely there will be a surge of entrepreneurs in this category.

Three startups focus on Career Development (i.e. financial support for further education, internships, jobs) although this is estimated to be a smaller market opportunity of the four segments.

*Figure 7.1*
EdTech Startups in selected ecosystems

| City | # EdTech Startups | # with >1mn funding | % raising > $1mn | City Population (mn) |
|---|---|---|---|---|
| Beijing | 3000 | 109 | 4% | 21.7 |
| Bay Area | 800 | 178 | 22% | 7.0 |
| Bangalore | 670 | 28 | 4% | 12.3 |
| Boston | 240 | 45 | 19% | 0.7 |
| Tel Aviv | 160 | 15 | 9% | 0.4 |
| Nairobi | 100 | 1 | 1% | 3.1 |
| Cape Town | 60 | 2 | 3% | 0.4 |
| Kuala Lumpur | 50 | 0 | 0% | 1.6 |
| **Abidjan** | **18** | 0 | 0% | **4.4** |

Sources: Navitas[2,3], Seedstars.

# Ivory Coast EdTech Startups

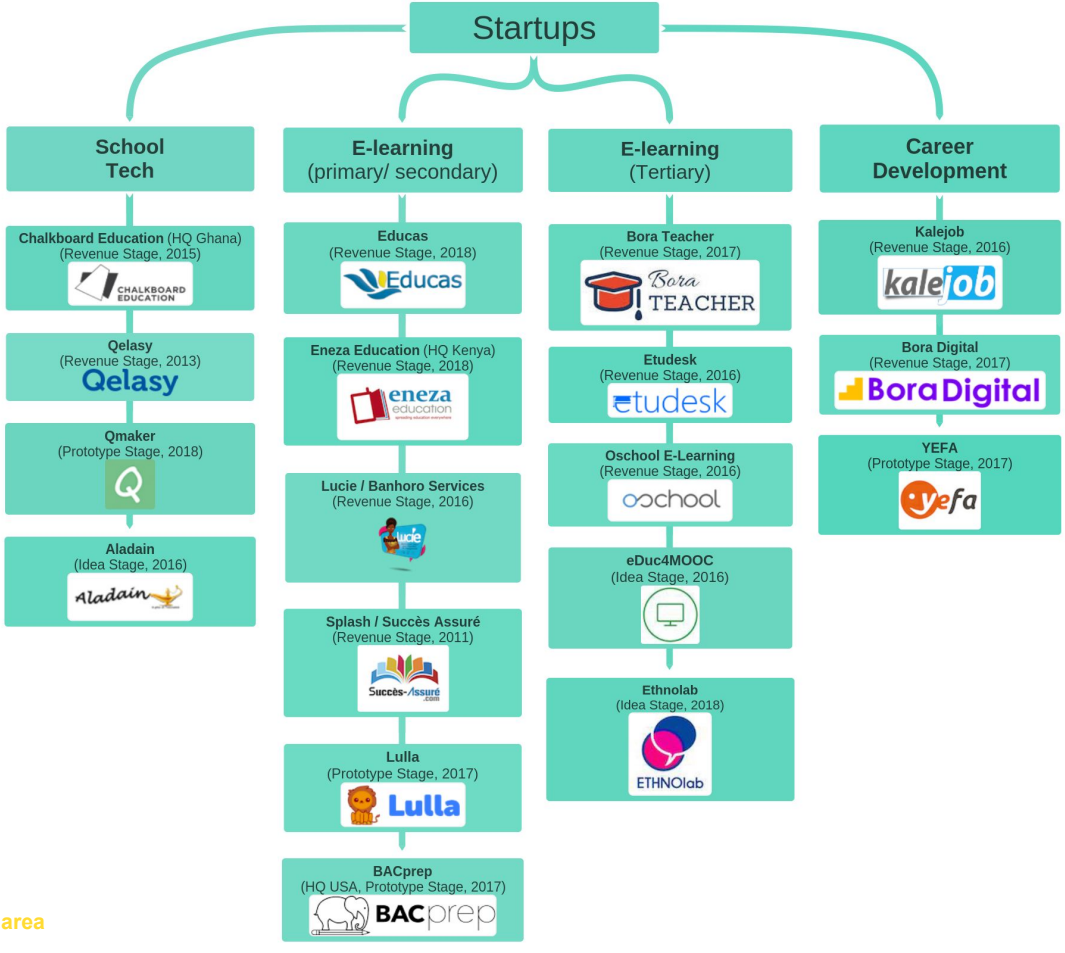



*Figure 7.2*
EdTech startup map by focus area

View the full map online at seedsta.rs/icmap

# Ivory Coast EdTech Startups Team Analysis

The team of a startup is often cited as the most important component. Comparison of the founding teams for a sizeable portion of the EdTech startups against Africa's top 4 EdTech startups (regional benchmark), and the top 5 EdTech startups across the globe (global benchmark) revealed the following results:

## Education

**60%** of the local founding teams hold a **Masters Degree**, as against **27%** in regional benchmark, and **57%** in global benchmark. While the local startups have significantly more Masters Degree holders, taking the quality of education into consideration reveals that **86%** of the founding members in the regional benchmark finished their education in a developed economy, contrasted with **78%** of the Ivory Coast teams educated within the country. The stark difference shows the gap that needs to be filled in the quality of the local education for developing prepared entrepreneurs.

## Founding Team Size

The global benchmark consists of an average of 2 founding team members which aligns with the way local startups function. This finding does not point to any drawbacks for the local startups.

## Work Experience

Globally, the top-performing EdTech startup founders have had an average of 11 years work experience (with 7 years on average for regional top startups) **before** they founded their respective EdTech startups, as opposed to the Ivory Coast founding teams with just 3 years of prior experience. The data reveals that having a more extensive work experience correlates with building a more successful EdTech business and should be addressed by the ecosystem. Furthermore, 90% of the founders in both regional and global benchmarks have >1k people in their network, against only 20% of local founding teams with the same network. Hence, It can also be assumed that with longer work experience comes a stronger network and increased capital, resulting in better growth of the startup.

*Figure 7.3*
**Founding Team Education**

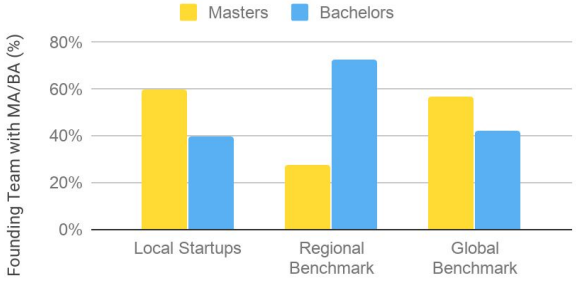



*Figure 7.4*
**Founding Team Size**

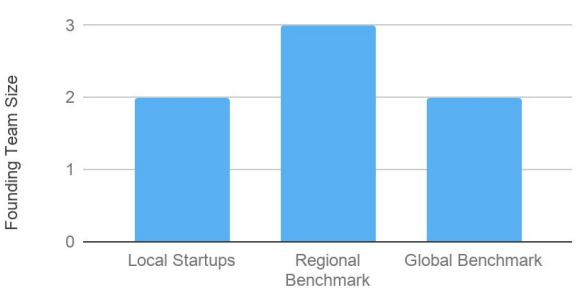
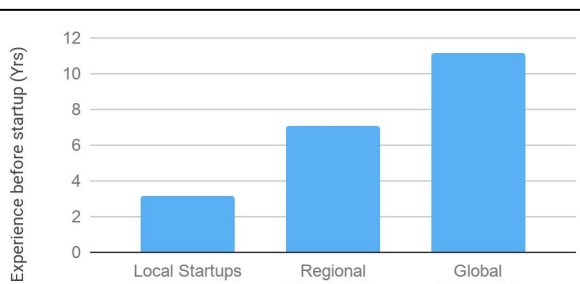



*Figure 7.5*
**Founding Team Experience**



# Startup Challenges

## Cost of Talents

According to the survey, the main challenge that entrepreneurs face is the high cost of talent. PME Magazine reports that the minimum monthly gross salary of an executive with 3-5 years of experience is around CFA 400,000 ($680). As discussed in the funding section, few startups have raised sufficient funding to afford such talent. Additionally, “some skills are not available such as big data, pedagogical engineers…” according to Lamine Barro from Etudesk.

## Access to the Network

On average, startups identify lack of accessibility to the right network as an obstacle to succeed. The lack of an EdTech community described in section 5 can explain this challenge.

## Fundraising Know-how and Funding Availability

The fundraising process, the different types of fundings available and typical requirements are considered difficult to understand. In addition, knowing who is financing and how to approach them is seen as a hurdle for entrepreneurs. In addition to the know-how, the lack of funding availability was cited as a serious challenge. For the question “what are the biggest challenges that you face?”, the need for funding was mentioned by 50% of the entrepreneurs.

## Market

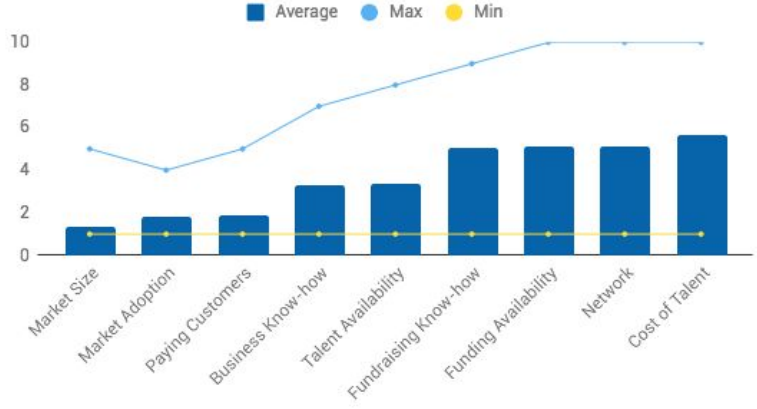
M-learning and especially SMS learning is a recent activity in Ivory Coast. Carole Attoungbre from Eneza Education explains that “there is still a need to educate learners to adopt tech solutions in their training.”

## Content

A challenge which has been mentioned by 2 entrepreneurs is the time it takes to create relevant content. The production requires to involve a lot of actors such as teachers. It takes time, human resources and agile processes. A strong collaboration with universities could help entrepreneurs.

*Figure 7.6*

**Challenges of EdTech entrepreneurs (0 = low, 10 = high)**



# Quotes from Founders

> ***Good business developers here are more expensive than in Ghana. It may be linked with the scarcity of talents.***
>
> Adrien Bouillot, founder of Chalkboard Education

> ***There is a lack of understanding of the power of Mooc and EdTech from the training managers.***
>
> Ange Brou, founder of  eDuc4Mooc

> ***For the startups like us which have a mobile solution, they have to be integrated by mobile operators. The time to get the money from the telcos can be very long.***
>
> Carole Attoungbre, Country Director from Eneza

# Startup Support

## Learning by Doing

Failure is accepted by the entrepreneurs. Indeed, all the entrepreneurs see failure as the most efficient way to learn and grow their business.

## Online Learning

Entrepreneurs who are at the prototype stage tend to use the free content that they find online to advance their knowledge and skills. The content is mainly francophone and produced in France (e.g. the YouTube channel Koudetat from The Family, has been mentioned in 2 interviews with entrepreneurs).

## Mentoring

The support provided by mentors is only effective for about half the startups and is perceived very differently from one entrepreneur to another. Based on the survey, it appears the mentoring value is linked to participation in programs as the entrepreneurs who had been through a program valued the mentor support highly. Accessing mentors outside of formal programs appears to be a challenge in the ecosystem.

## Peer Learning

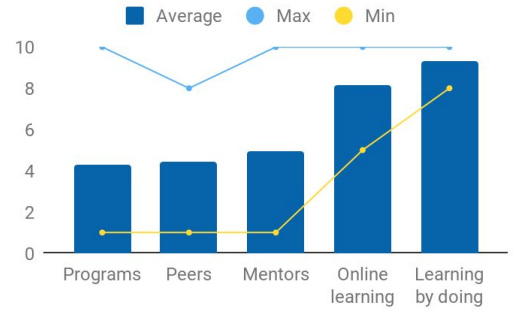
The exchange between peers is not a motor of the learning process of entrepreneurs. If we look at the figure below we see that it is considered as a relatively low-valued source of learning. That may be explained by the absence of structures and events that encourage experience-sharing sessions with EdTech entrepreneurs.

## Programs

The support given by programs (incubation, acceleration, etc.) are not really valued by the entrepreneurs who give an average score of 4/10 (again with a large divergence). When entrepreneurs are asked what have been the main support programs for them, a majority of the answers are programs outside Ivory Coast e.g. Google Launchpad Accelerator Program, Seedstars World, Foundation Tony Elumelu, Numa, RFI, GIST, which are mainly English-speaking programs. Nevertheless, local programs have also been mentioned: Orange Fab, Fondation Jeunesse Numérique, Founder Institute. It is interesting to see that the lack of network is one of the main challenges for the startups (page 30) while all the structures to train entrepreneurs propose networking opportunities with relevant stakeholders begging. It appears therefore that more can still be done to facilitate network building for the entrepreneurs.

*Figure 7.7*

**Support most valued by EdTech entrepreneurs (0 = low, 10 = high)**



# Quotes from Founders

> *I have not found any mentors in Abidjan. I sometimes do short trainings on Saturdays to improve my management training skills.*
>
> Lamine Azinakou, founder of Lulla

> *The best content I have found was online content. I have learnt via the MOOC of Remi Bachelet.*
>
> Ange Brou, founder of eDuc4Mooc

> *I am not aware of a space where I could meet the entrepreneurial community of Abidjan, I don't know the other entrepreneurs.*
>
> Adrien Bouillot, founder of Chalkboard Education

08

# Funding

## Activity, Sources & Challenges

# Funding Overview & Recommendations

## Funding Overview

The funding situation for EdTech startups in Ivory Coast is a primary challenge confirmed by the founders surveyed and the research conducted for this report. With only one startup raising over $100k and the majority working with either no funding or small grants under $22k, the funding ecosystem in the country can definitely be described as nascent.

Grant funding seems to be doing its part to kickstart EdTech startups and take the first risk, however the amounts remain small. The second piece in the funding chain should be local business angels but none were found to be active in the EdTech space, representing an important bottleneck. Three seed stage investors (Comoe Capital and the two authors of this report; Seedstars, Jacobs) are active in EdTech in the Ivory Coast and given the nascency of the ecosystem, this is relatively positive. Also positive is the number of investors focused on Africa with existing EdTech investments. This pool of 15 investors will be an important source of funding for the local EdTech startups as they scale, even if it will be a challenge convincing them to invest for the first time in Ivory Coast (of the 15 cited, only 4 have current investments in Ivory Coast). A final positive sign is noted in the 4 international EdTech-focused investors (Emerge Education, Learn Capital, Pearson, Rethink Education) with a deal already done in Africa.

All the startups surveyed are looking for funding of one sort or another but generally lack the know-how to go about it (as reported in the survey). Although the sources of funding have bottlenecks and are in no way abundant, trying to raise funding without sufficient know-how is nearly impossible. This issue is also relatively easy to fix through an investment readiness program in Ivory Coast.

## Recommendations for Ecosystem Leaders

**1) Get Ivory Coast in more investors' portfolios:** having more of the regional tech investors active in the country, in EdTech or otherwise, will simplify fundraising in the future. A range of initiatives could be tried such as simple investor delegation trips or investor forums all the way up to tax incentives, or a blended finance matching program.

**2) Develop local Angel investor network:** although the Ivoire Angels network exists, it was not cited as a funding source and is not yet an active part of the funding ecosystem. This association and others should be encouraged to grow and be supported by the government.

**3) Build relationships with EdTech focused VCs:** sector specific investors are unlikely to appear until an ecosystem has matured, therefore an interim step can be to develop ties with foreign EdTech focused VCs. Collaboration could be in the form of a series of training sessions for founders all the way to a co-managed fund with a local investment firm. The most important objective should be the transfer of knowledge from seasoned sector experts.

## Recommendations for Startups

**1) Consider International Acceleration Programs:** several EdTech and many sector agnostic acceleration programs exist outside Ivory Coast although few founders cited this as a potential source of funding. As most of the local programs are pre-acceleration stage, this route can help bridge the gap with regional investors. Most of the foreign programs are held in English-speaking countries, which can constitute a barrier for many Ivorian entrepreneurs.

**2) Nurture lead investor relationships:** locally there are only few organisations able to take on the role of lead investor so entrepreneurs should plan ahead and start building those relationships.

**3) Be bold:** many of the founders surveyed stated a funding requirement that did not cover more than a few months of operations. Raising $20k can take as much effort as raising $500k however must be repeated frequently.

# Funding Activity and Sources

## Funding Raised

Taking into account only the EdTech companies with their HQ in Ivory Coast, the amount of external funding raised in the ecosystem sums to a meagre total of $184,600. As described in section 7, one of the key challenges described by the founders surveyed was the access to funding and this figure definitely corroborates that opinion.

- Half of the startups have raised no funding at all despite having an average age of 30 months.
- 5 startups have raised grants ranging from $1k-$22k.
- Grants are currently the most frequent source of funding.
- No angel investment was cited.
- Only 2 startups have raised seed capital, and one accounts for 60% of the total funding raised.

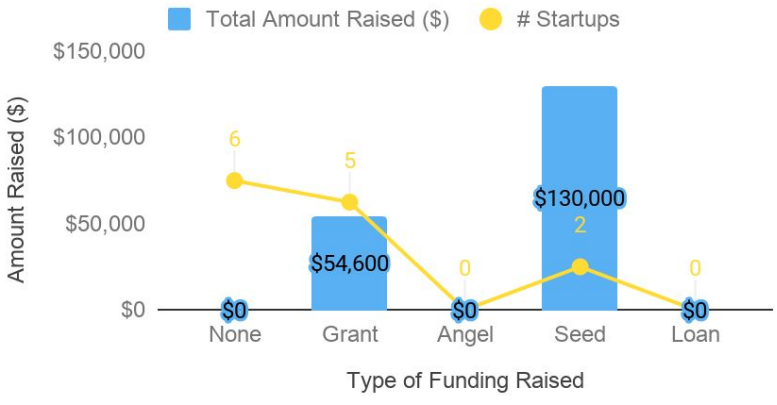



*Figure 8.1*
**Funding raised by Ivory Coast EdTech startups**

## Funding Sought

The total amount of funding sought by EdTech companies with their headquarters in Ivory Coast is approximately $1.2mn.

- Grant funding is sought by 4 companies with an average amount of $17k, which is reasonable given the grants already raised by peers.
- The amount of grant funding sought by the startups provides a very small runway (estimated average of 4 months) and is insufficient in the opinion of the writers of this report.
- 4 startups are seeking angel funding averaging $72k.
- 72% of the funding required is sought from Seed stage investors with the largest amount required being at $500k.

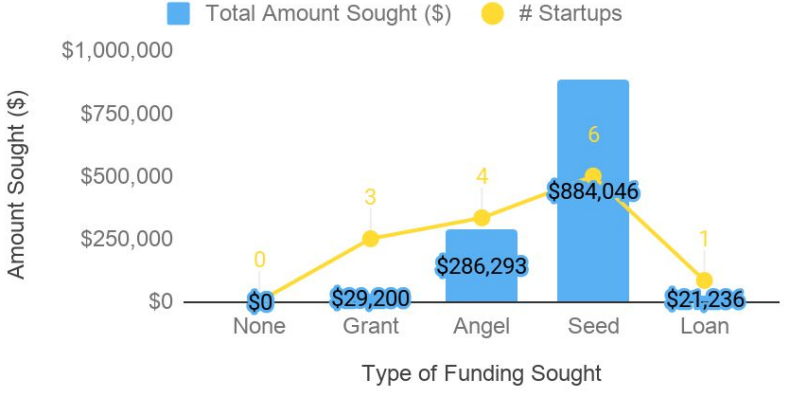



*Figure 8.2*
**Funding sought by Ivory Coast EdTech startups**

# Potential EdTech Investors for Ivory Coast Startups

| Name | Investor Type | Closest Location to IC | Investment Structures | Geography of investments | Sectors of Focus | Ticket Sizes | Investments in Ivory Coast? | Notable EdTech Investments |
|---|---|---|---|---|---|---|---|---|
| Comoe Capital (I&P) | Venture Capital | Abidjan | Equity, Debt | Ivory Coast | Impact | €30k - €450k | Yes | Etudesk (CI) |
| Jacobs Foundation | Foundation | Abidjan | Equity, Debt | Ivory Coast | Education | $100k - $1mn | Yes | Eneza, Chalkboard (CI) |
| Seedstars | Venture Capital | Abidjan | Program + Equity | Emerging Markets | EdTech + Fin/Clean/Ag/Health Tech | $50k - $500k | Yes | Bora Teacher, Bora Digital (CI) |
| Tony Elumelu Foundation | Fondation | Lagos | Program, Grant, Equity | Africa | All | $5k | Yes | Kalejob (CI) |
| AHL Venture Partners | Venture Capital | Nairobi | Equity, Debt | Africa | EdTech + Fin/Clean/Ag Tech | $300k - $1.5mn | Yes | African Management Initiative (KE) |
| CDC | DFI | London | Equity, Debt | Africa, South Asia | EdTech + Fin/Health/Infra/RE/Food/Agri | $10mn - $150mn | Yes | Bridge Int. Academy (US, KE) |
| CRE Venture Capital | Venture Capital | Johannesburg | Equity | Africa | Tech | NA | No | Andela (Nigeria), PrepClass (NG) |
| Green Tec Capital Partners | Venture Capital | Lagos | Equity | Africa | Agri, Sustainable Res., Digitalisation | Services | Yes | Yusudi Ltd (KE) |
| Engineers Without Borders | Foundation | Toronto | Equity | GH, UG, KE, ZM | AgTech, Engineering, WASH | $50k - $100k | No | M Shule (KeKEnya) |
| Global Innovation Fund | Non-profit Fund | Washington DC | Grant, Equity, Debt | Emerging Markets | Education, Agri, Aquaculture | $50k - $15mn | No | Mindsparks (IN) |
| IFC Venture Capital | IFI | Washington DC | Equity | Global | EdTech, Internet, Logistics, Health | NA | No | Andela (MG), Bridge Int. A.(US, KE) |
| Injini | Accelerator | Cape Town | Program + Equity | Africa | EdTech | $50k | No | M Shule (KE) |
| Invested Development | Venture Capital | Nairobi | Equity | Emerging Markets | Mobile, Agri, Energy | $350k avg. | No | BRCK (KE) |
| Naspers | Venture Capital | Cape Town | Equity | Global | Internet, Media, Entertainment | $1mn and up | Yes | Udemy (US), Code Academy (US) |
| Omidyar Network | Impact Investor | Nairobi | Equity, Grant | Global | Education, Fin. Inc., Dig.Identity, Gov. | $200k - $2mn | No | Andela (NG), Bridge Int. A.(US, KE) |
| Rise Capital | Venture Capital | San Francisco | Equity | Growth Markets | Tech | NA | No | PrepClass (NG) |
| Savannah | Venture Capital | Nairobi | Program + Equity | East Africa | EdTech + Ag/Health/Fin/Ent/Com Tech | $25k - $500k | No | Eneza (KE) |
| TLcom Capital | Venture Capital | Nairobi, Lagos | Equity | Africa | TMT | NA | No | Andela (NG) |
| Vilcap | Impact Investor | Washington DC | Program + Equity | Global | EdTech + Fin/Clean/Ag/Health Tech | $50k | No | Lekki Pen. Affordable Schools (NG) |
| Emerge Education | Accelerator | London | Program + Equity | Global | EdTech | $50k | No | Edacy (SN, CI) |
| Learn Capital | Venture Capital | San Francisco | Equity | USA | EdTech | NA | No | Coursera (US), Andela (NG) |
| Pearson Aff. Learning Fund | Corporate VC | New York | Equity | Emerging Markets | EdTech | $300k - $1.5mn | No | SPARK Schools (ZA) |
| Rethink Education | Venture Capital | New York | Equity | USA | EdTech | NA | No | Bridge Int. Academy (US, KE) |
| Orange Digital Venture | Venture Capital | Paris | Equity | Africa | FinTech, Enterprise, IoT, Connectivity | $500k - $3mn | No | - |
| Partech Africa | Venture Capital | Dakar | Equity | Africa | Tech | €200k+ | No | - |
| Adenia | Private Equity | Abidjan | Equity | Africa | Agri, Manu., Fin., Telco, Hosp., Health | NA | Yes | - |
| AfricInvest | Private Equity | Abidjan | Equity | Africa | EdTech + Fin/Health/Ag Tech | NA | Yes | - |
| Amethis Finance | Private Equity | Abidjan | Equity | Africa | Industrial, Financial Services, Health | €10mn - €50mn | Yes | - |
| ECP | Private Equity | Abidjan | Equity | Africa | Fin. Ser., Consumer, Telco, Logistics | NA | Yes | - |
| PCM Capital Partners | Private Equity | Abidjan | Equity | Africa | Industrials, Financial Services, Telco | NA | Yes | - |
| Sirius Capital for Africa | Investment Bank | Abidjan | Advisory, M&A | West Africa | All | NA | No | - |

Investors active in EdTech in Ivory Coast

Tech investors active in Africa with with an EdTech deal

EdTech investors but not Africa focused

Tech investors active in Africa but not yet in EdTech

PE Funds with tech interest active in Ivory Coast

# Potential EdTech Investors for Ivory Coast Startups

## Potential Investors

**PE Funds with tech interest active in Ivory Coast**

AMETHIS, ECP PRIVATE EQUITY, AFRICINVEST, SIRIUS CAPITAL, PCM Capital Partners, adenia partners

**Major tech investors active in Africa but not yet in EdTech**

Orange Digital Ventures, partech

**EdTech investors but not Africa focused**

emerge education, LearnCapital, Pearson, RETHINK EDUCATION

**Tech investors active in Africa with an EdTech deal**

AHL VENTURE PARTNERS, CDC Investment works, CRE, engineers without borders / ingénieurs sans frontières Canada, GLOBAL INNOVATION FUND, GreenTec CAPITAL PARTNERS Empowering Investments in Africa, id. INVESTED DEVELOPMENT, IFC International Finance Corporation WORLD BANK GROUP, INJINI Africa's EdTech Incubator, NASPERS, OMIDYAR NETWORK, RISE CAPITAL, savannahfund, TLcom Capital LLP, VillageCapital

**Investors active in EdTech in Ivory Coast**

COMOÉ CAPITAL PARTENAIRE D'IIP, JACOBS FOUNDATION Our Promise to Youth, THE TONY ELUMELU FOUNDATION, seedstars

# Ivorian EdTech Ecosystem from an Investor Perspective

To better gauge why there is not more investment activity, several investors from the region were interviewed and surveyed. All these are active in the region, but do not necessarily have a portfolio company in Ivory Coast. Among the interviewed and surveyed funds and organizations are AHL Venture Partners, Comoé Capital, Village Capital and The Tony Elumelu Foundation.

## Opportunities

**Market Opportunity**
Only some of the investors interviewed and surveyed are slowly eyeing the Ivory Coast for investment targets. However, one of the ones that does, Village Capital, mentioned that they believe that the market opportunity is given with the population being very young and in dire need of education services as mentioned before in this report.

**Government Support**
While the government is still struggling to close the gap when it comes to education, the government is made very aware of the importance of the topic by international organizations such as the World Bank. The government is also relying on private efforts to improve its educational system and according to one investor interviewed there have been strong signs for the government readily supporting international investors as they put no limit on foreign investment in most sectors.[8.1]

**Number of Investment Targets**
Interestingly enough Alexandria Amamgbo from the Tony Elumelu Foundation stated that the number of EdTech startups as a percentage of all startups in their portfolio in Ivory Coast is higher than in other countries in the region e.g. Nigeria.

## Challenges

**Startup Quality**
All surveyed and interviewed investors criticized the average startup quality they found in Ivory Coast, especially when it comes to proving their product / market fit with traction. Investors think that there are two particular reasons for startups having little revenue to show: first, it is very hard to work with government schools as the sales cycles are very long; second, many startups are trying to serve the underserved with low disposable income while the costs for solutions are too high.

**Founder Know-how and Attitude**
Investors criticize that founders do not understand the very basics of finance, accounting and fundraising. They do not know when to approach a bank and when to approach an investor. Moreover, the culture is characterized by a certain degree of informality when it comes to starting a business. Many would ask their aunties and uncles for money, but not pay the money back. This kind of attitude is also brought to institutional investors and banks and results in a high default rate as stated by one interviewed investor.

**Ecosystem Support**
As noted before in this report, the investors also complained that ecosystem support is lagging behind in Ivory Coast compared to other ecosystems in the region. They see this lack of support as one of the reasons for the low startup quality mentioned above.

# Quotes from investors

> *The government is trying to create an attractive environment for investors to come in. Regulations are becoming more flexible such as having little restrictions on foreign investment and ownership.*
>
> Village Capital, Tina Nyamache

> *Startups in Ivory Coast definitely need more funding. Moreover, they lack business skills and this often keeps them from getting their product in front of the right audience and reaching product / market fit.*
>
> Tony Elumelu Foundation, Alexandria Amamgbo

> *More incubators and accelerators are needed to help investment readiness of startups.*
>
> Comoé Capital, Sidibe Issa

# Acknowledgements

**This report would not have been possible without the incredible team effort of the contributors and we would like to thank:** Adrina Collini, Clement Delcourt, Charlie Graham-Brown, Fanny Dauchez, Nadiia Mykhalevych, Satwik Govindarajula.

**Special thanks to the stakeholders who took the time to talk to us and share their thoughts**: Adrien Bouillot from Chalkboard Education, Ange Brou from eDuc4Mooc, Jephté Toukea Tatsi from Q Maker, David Yao from Oschool Lamine Azinakou from Lulla, Tina Nyamache from Village Capital and Alexandria Amamgbo from the Tony Elumelu Foundation.

**Finally, we would like to thank the Jacobs Foundation** for their ambitious vision and relentless efforts to improve the state of education for children and youth.

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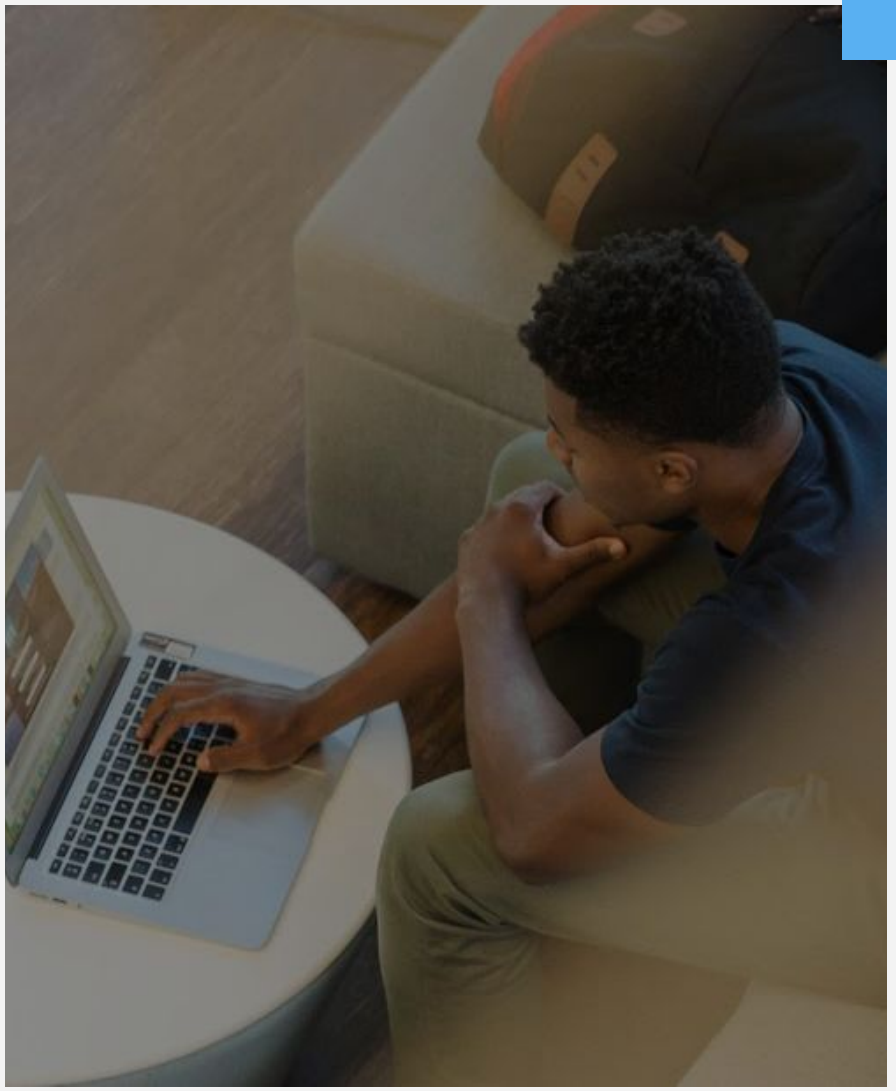

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