“The challenge of the 4IR demands a strategic response from Africa. It requires Africa to unite – policy makers, the private sector, and citizens – to build infrastructure, cultivate our energy and creativity, and mobilize the finance to capitalize on the 4IR opportunity.”

Dr. Akinwumi Ayodeji Adesina
President, African Development Bank
Introduction

The African Development Bank is creating the Africa 4IR Fund to raise financing and mobilize partnerships to increase the impact, scale, and speed of digital transformation in Africa.

The Bank’s objectives are to contribute decisively to closing the digital divide in Africa by:

1. providing access to inclusive and affordable digital and connectivity infrastructure;

2. scaling disruptive digital innovations that will produce new market opportunities, increase productivity, create jobs and investment;

3. crowdsing-in investment to empower technology-enabled startups (particularly benefiting youth, women, and the rural community).

The fund will drive the adoption of digital technologies across crucial sectors such as agriculture, climate, banking, healthcare, education, energy, amongst others.

Within ten years, the Fund aims to increase ICT’s contribution to GDP in Africa from 9% in 2020 to 19% by 2030.
Key Statistics: ICT in Africa

1. 1.7 million jobs created in African tech
2. $7.1 billion invested in ICT ($4.8 billion from private sector)
3. 37 of 38 coastal African countries with direct access to submarine data cables
4. $144 billion contributed to the economy by African tech
5. 400+ digital innovation hubs generating over $1.1 billion

Over half of all Africans have access to mobile lines. African digital innovation and entrepreneurship has increased over time, with young African entrepreneurs using new technologies to challenge established markets while solving socio-economic problems.

African ICT is one of the fastest-growing sectors. Growing private sector investment has played a significant role in bridging the digital infrastructure gap. Africa’s youth population has largely grown up in the digital age. Harnessing its energy and creative talents will be key to future prosperity.

The Challenges for Digital Transformation in Africa

1. Africa consistently lags behind the rest of the world in ICT development, despite the recent progress. Africa currently accounts for less than 1% of the total available global data centre capacity.
2. African countries lack the highly skilled human capital required for the 4IR. Currently only 10% of Africans are employed in high-skilled digital jobs.
3. Africa’s digital policy and regulatory environment fails to optimize investment in the digital economy.

To meet the required target of universal connection by 2030 and close the digital divide, there is an estimated funding requirement of $100 billion, the equivalent of $9 billion per year.

Overall, the huge economic damage done to the continent by the COVID-19 pandemic illustrates that it is now high time for an all-out effort to harness digital technologies to diversify African economies and propel Africa into the vanguard of the 4th Industrial Revolution.
The Africa 4IR Fund

No single government, company or institution acting alone can provide the over $100 billion investment required to bridge the digital divide by 2030.

The Bank’s proposed Fund therefore aims to co-ordinate, complement, and consolidate the efforts of multi-stakeholder organisations with similar vision, including its member countries, the private sector, philanthropies, and multilateral and bilateral partners.

The Fund will operate in all the Bank’s 54 regional member countries (RMCs), and will be a grant facility with an initial capitalization of $100 million.

Areas of Focus

The Africa 4IR Fund will invest in four major pillars:

**Connectivity Infrastructure**
- affordable and inclusive digital infrastructure
- cloud and data centre architecture
- broadband deployment

**Digital Services**
- eGovernment
- eCommerce
- agriTech
- healthTech

**Digital Entrepreneurship and Skills**
- digital skills development
- disruptive technologies
- supporting technology-focused hubs and enterprise support organisations

**Enabling Policies**
- data privacy
- sandboxes
- startup acts
- cyber security

What the Fund will Support
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