

Ecosystem Voices

Unpacking data experts perspectives on growth firms in Kenya, Ethiopia and Rwanda

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In this comprehensive report, we present a range of insightful perspectives from a sequence of formal, semi-structured interviews conducted by our team throughout 2023. We engaged with key stakeholders and experts in Kenya, Ethiopia, and Rwanda to delve deeper into the factors influencing the expansion of rapidly growing firms in these areas. We also explored the impact of improved access to data and insights on strengthening the entrepreneurial ecosystem. Our analysis weaved together and integrated a tapestry of expert opinions into cohesive thematic narratives.

The insights gained from these valuable findings have substantially deepened our comprehension of the complexities inherent in the design stages of national data collaborative initiatives. This enhanced understanding is crucial in guiding the formulation of tailored and impactful strategies.

This insight report is the fourth of a series produced by [GrowthAfrica](#) and [Systemic Innovation](#) under a FCDO-funded Research and Innovation Systems for Africa (RISA) Fund project to conceptualise, design and launch a scalable and replicable model for a data observatory for scaling commercial ventures in Kenya, Ethiopia and Rwanda.

10 key ecosystem insights

1.

Firm-level benchmarking data is not publicly available. A large gap exists regarding how startups in Kenya, Ethiopia and Rwanda scale up and sustain growth.

Data - across financial and non-financial information, especially firm dynamics - are often missing. Without properly grasping how and why ventures grow it will be harder to support growth trajectories. Comparative assessments in specific areas (e.g. how funding is spent, HR processes, managerial decision-making) are critical, but absent insights. An economist we spoke with emphasised, *“zoom in to understand productivity; data on organisational structures and hierarchies translate into outcomes and how reliable are firms - you have to go deeper to understand a firm”*. Without this information, it is very difficult to derive a consistent set of underlying features of high-growth firms across different settings. We also need better interventions appraisals. What activities ‘changed the game’ towards success, as one academic asked, *“what made a huge difference to the [venture’s] growth journey, what didn’t? How do they, as individuals, navigate the challenges and stresses of business building?”*

“For the ecosystem, I’m not sure that that data is so neat, even within firms or foundations. GSMA recently released their scaling report - for the firms which grew, how much of the success can they attribute? Was an early stage grant vital? Or was it the Endeavor mentorship? Can you get these insights?”

(Hub Director)

2.

Data silos are prevalent, whilst data accessibility is not.

Numerous interviewees were concerned with data fragmentation, data hoarding, and challenges in accessing and effectively utilising data to help their decision-making. Across the countries, the quality of the data was said to be variable, and a hierarchy of data exists: *“beyond (World Bank) Enterprise surveys and census data, tax data offers a high value assessment yet access is not public. You have to make a case to request data, plus have a government sponsor”*. Innovation and entrepreneurship specific data sharing processes within and across governments remain very limited.

“Just like donors, we sit on our data and we don't necessarily share it with others. The private sector too is not great at sharing data either”.....“data is in different pockets, that if put together, can actually be very powerful by offering rich good insights which can ultimately influence policy.”

(Government Official)

3.

Investing in a combination of ecosystem data sharing structures, processes, and systems is vital to more comprehensively understand growth firms and their ecosystems.

There's notable absences of centralised databases capturing essential key metrics within and across countries. Enhanced rigour, coordination, and cohesion among agencies, research institutions, and statistical offices, facilitated by dedicated workstreams, are essential to ensure that their combined efforts yield more significant results. Such gaps highlight a crucial need for a more complete, accessible, public data resources and reliable data commons, with increasing calls for comprehensive mechanics to evaluate the outcomes of investments in the innovation ecosystem. Across the three countries, there exists very different attention and investment into the innovation and data arena. Government leadership in this respect is crucial.

“[Across government] some data is available, it just still sits in silos, and nobody knows how to use it. Everyone talks about data, but you can't access or use it. It might also need to be cleaned up. It would be good to know what is already there that can be made open, plus potentially collecting data from new sources.”

(Government Official)

4.

Enhance, and invest in, the role for academia and research institutions in augmenting existing data with blended research approaches.

Data platforms alone are wholly insufficient. Often service providers like Briter and CrunchBase are incomplete. National statistical agencies mainly focus on job creation in specific sectors but lack detailed insights into individual firms' organisational workings. An economist explained to us that "**research institutions' datasets are mostly part of experimental studies**". There will be an increasing necessity to adopt blended research methodologies that synergise various techniques - combining quantitative methods with statistical analysis alongside qualitative approaches through narrative data. Longitudinal studies will be crucial in understanding evolving trends, while ethnographic studies will provide a nuanced view of cultural and social contexts. This multi-layered approach will enhance the robustness and depth of research findings.

"I've examined 50 or 60 high growth firms (tracked for 10 to 15) years. It's incomparable to these data providers or Pitchbook publicly available data. What's actually happening on the ground is a very different picture. That means that data transparency on these fundamentals is very much lacking, which is a huge issue."

(University Professor)

5.

Enhanced standardisation in both terminology and data formats can significantly facilitate data sharing.

By harmonising industry-specific terms, definitions, and indicators, it's possible to achieve greater consistency and clarity. This is essential to resolve the widespread confusion surrounding the definitions of startups, scaleups, and high-growth factors, which is crucial for ensuring data accuracy and comparability. Furthermore, addressing industry standards and reconciling discrepancies is imperative. Currently, data is often presented in formats not conducive to analysis and sharing, creating a disparity between entities with abundant resources and those without. We were told, "**even if you can have collaboration around sharing CSV, XML files but whether that data is aggregatable to make meaning is another thing altogether**". Streamlining definitions, indicators, and formats will promote a more equitable playing field, enabling better data accessibility and utility. An experienced data expert acknowledged this need to be addressed, "**both on the demand side and the supply side**".

“There is considerable confusion in the realm of data measurement. Obtaining data is just the first hurdle; the real challenge lies in navigating the varied indicators and metrics that often measure differently. Additionally, datasets frequently suffer from format interoperability issues, compounding the complexity of effective data utilisation.”

(Data scientist)

6.

Donor funding, while well-intentioned, can easily create less beneficial outcomes.

Short-term achievements can often result in unintended consequences and potentially create counterproductive (perverse) incentives in the long run. The involvement of international governments in backing firms that may not be viable under normal market conditions can lead to market distortions. We heard from a leading ecosystem expert who warned how, “**grant winners are polluting the ecosystem**”. Furthermore, donor support is frequently duplicated and undifferentiated initiatives are commonplace. A donor told us, “**if we do hear a development partner (doing similar projects), we might get a high-level presentation but not the sharing of tangible data nor of technical knowledge**”. Thus, it is crucial to promptly address the issue of donor coherence to ensure that aid effectively supports sustainable and equitable economic outcomes. By avoiding this challenge actors are complicit in incredible inefficiency and wastefulness from a value for (public) money perspective.

“A parallel economy exists. The incentives and culture are completely separate from the venture capital (VC) and private sector world. Startups participate in so many free programmes, and get free money, and tend to be less proactive and have lower productivity as a result. Once they get big enough through the grants system, it will be really hard for them to then return into a private sector mentality.”

(ESO Director)

7.

The field of high-growth remains widely misunderstood across various levels, with confusion being the prevailing state.

In the entrepreneurship sphere, the term 'scale' is becoming excessively and inappropriately used, diluting its true meaning and significance. There's a lack of clear distinction between startups and scaleups, and often, hype overshadows substantial analysis. We heard how, *"there is a noticeable lack of emphasis on hard data"*. Additionally, *"Success narratives within the ecosystem are frequently built on assumptions with limited reliable information beyond self-promotion"*. Crucial details about the *"internal workings of these ventures are often unknown or undisclosed"*, underscoring the need for more transparency and informed understanding across this high-growth arena.

"We are applying almost generic thinking to (scale)... often do not take into account all the complexities and nuances into consideration."

(Venture capitalist)

8.

Entrepreneurship Support Organisations (ESOs), especially those afforded limited resources, often struggle with internal monitoring capabilities.

It is primarily the more established (and international) ESOs that possess the necessary funding and capacity to effectively track venture metrics. These well-established scaleup programmes are able to conduct in-depth analyses and provide more customised support for tracking growth. However, in general, business support providers find it very challenging to implement systematic data collection practices, which would improve demand-driven support. Researchers beg for richer data: *"If we had a proper data set then we'd be able to know what's affecting SMEs and high growth firms. The datasets produced by ecosystem players are not being made available, which prevents a better matching of capacity building efforts to the different stages of growth for ventures."* There is a clear need for increased investment in capacity building, enabling ESOs to collect, utilise, and learn from data more effectively. Improved performance benchmarking is essential. One ESO admitted, *"I'm not very sure we understand what their [high-growth needs are and how to accelerate them]"*. Accordingly, a leading academic advises focusing on performance-based support metrics: *"it would be better to understand the support programmes portfolios - which ones actually actually make a significant difference?"*.

“I wish people would hold us more accountable too. At the end of the day, if your donors hold you more accountable, then you have to deliver to the standards. Right now, there are just so many other priorities. Sometimes it’s very hard for us to ensure the impact measurement side of things. I wish that there was more of a standard within the ecosystem for impact measurement and for accountability. I don’t see this at all.”

(ESO Programme Director)

9.

Limited number of female scale ups across countries and alongside systemic data specific challenges.

Although there have been positive empowerment efforts in recent years there remains a significant underrepresentation of women in the startup ecosystem. An ESO told us, **“one pain point is getting them into our programmes”**. Interviews reveal significant gaps in data, highlighting risk aversion influenced by cultural norms, mindsets, amongst a variety of other factors: **“barriers to navigating funding applications and accelerator programmes can act as deterrents. The largely male-dominated investment landscape continues to exhibit biases”**. Despite growing institutional support for female entrepreneurship, there remains a notable focus on female related venture and ecosystem data, underscoring the need for far more focused efforts to address these disparities.

“We need to create a space where women feel comfortable to come in and ask for funding. We also need to publicise success stories by women.”

(Female Investor)

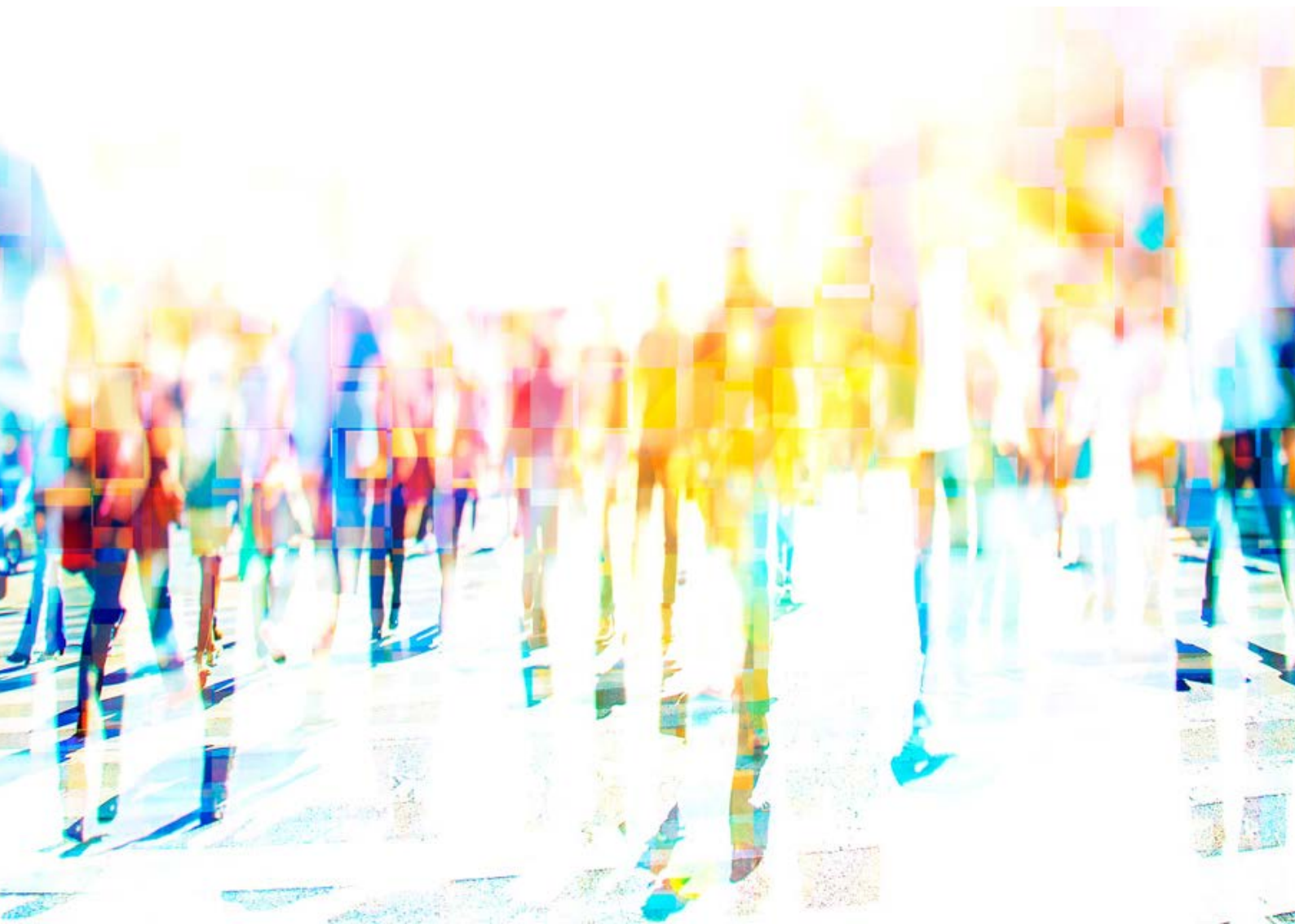
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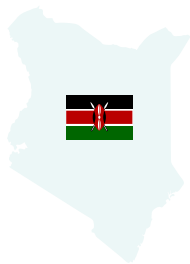
Appetite for greater data collaboration exists, if specific conditions are met.

Experts stress the need for independence, impartiality, and local relevance in data collaborations, along with clear incentives for participation, data protection adherence, and personal interactions to foster a collaborative ecosystem. All these elements underline the growing consensus for a more analytical, transparent, and collaborative data environment that supports predictive assessments, strategic decisions, and broad partnerships. As we heard from a well-known ecosystem expert, *“ultimately, this is really about leveraging data to enhance decision-making with insights for more informed choices”*.

“If I have data, what do I get? Does it help foster networks and connections? Those mechanics and give-gets, who’s buying into what; what can be open and what might need to be closed for people to protect their data and IP?”

(Venture Builder)





Kenya snapshot

Support concentrated on early stage ventures; greater capital availability, but still few firms scale. Data often remains 'locked-up', rarely shared.

"It is still challenging to determine which firms are succeeding well in the market or how well Kenya's innovation ecosystem is actually functioning."

(Ecosystem expert)

We were presented with a series of perspectives, which, while not an exhaustive assessment of the market and data issues within the ecosystem, represent some notable points captured during our interviews.

Market perspectives presented to us:

Dubbed the Silicon Savannah, its fast growing technology and innovation ecosystems there is little doubt of great potential. But scratching beneath the hype, we heard that under the surface Kenyan ventures still encounter significant financing difficulties, with a 'missing middle' phenomenon (a large number of microenterprises - mostly informal - and some large firms, but very few SMEs). The regulatory environment remains taxing alongside fierce competition for skilled talent. Startups are often overvalued early on in their lifecycle, which can deter later-stage funding. Support to, and from, the entrepreneurial ecosystem is inconsistent.

- **Numerous founders are often seen neglecting the importance of data-driven decision-making and not recognising their operational shortcomings:** Our interviewees point out that successful companies typically stand out due to their, "*well-defined growth strategies and an emphasis on achieving positive unit economics early in their development*", according to a growth catalyst. Moreover, these thriving enterprises actively invest in comprehensive user engagement initiatives, a key factor contributing to their success.
- **The role of technology can be key, but often overplayed:** some interviewees mentioned recent advancements in AI and Machine Learning to address what they perceive as a lack of innovation in startups and that some fastest-growing firms in Kenya are those utilising cutting-edge technologies in their operations. However, a leading data expert counters this viewpoint, "*stressing the importance of evaluating companies based on their specific sectors, as well as considering factors like leadership, operations, and organisational dynamics*".
- **Acquiring the necessary skills and knowledge for high-growth continues to be a substantial challenge:** In addition to addressing founder and leadership concerns, we repeatedly heard how entrepreneurs in Kenya face stiff competition from the more established corporate sector and NGOs for talent, particularly in terms of compensation. The advice from an ESO catalyst was that they need to, "*exercise patience in cultivating an effective talent pipeline, balancing the need for skilled professionals with the realities of the job market.*"

The data landscape:

The data landscape in Kenya involves multiple key players like the IMF, World Bank, and local agencies, with universities and entrepreneurial support organisations contributing to data analysis. However, access to these datasets is often limited for local businesses, and trust issues undermine the perceived accuracy and usefulness of government data. Private entities, including banks, possess valuable data but are hesitant to share due to competitive reasons. Current data collection methodologies and available datasets may not fully capture the diversity of the business environment or the nuances of startup success. A leading academic urged

the importance of, "*visibility and transparency around the methodologies associated with data collection*". There is a disconnect between academia, industry, and government in utilising data effectively, suggesting the need for improved collaboration and openness. This would enable leveraging data more effectively for informed decision-making and foster innovation within the Kenyan market.

Numerous challenges exist, including:

- **An extensive number of donor-funded programmes have run in recent years, but datasets remain 'locked-up':** Comparatively, donors have strong data collection technical support available. A government agent told us: *'it is a crowded field', yet "several of these datasets still sit in silos and belong to different entities"*. A dedicated inter-government will be needed by donor agencies with entrepreneurship and innovation in their purview.
- **Datasets are often based on predetermined assumptions (and are also not fully representative):** Available datasets produced by key organisations (Kenya National Bureau of Statistics and the World Bank) will often have gone through several layers of analysis; yet still, they "may not be fully representative", according to senior statisticians. Data veracity issues are also prevalent with a lack of trust in the accuracy of data produced by government officials. A government statistician surprised us by explaining to us that "data figures can change due to politics."
- **Targeting entrepreneurs leads to push-back:** An increased push from the government to formally register businesses under Kenya National Bureau of Statistics (KNBS) and the Kenya Revenue Authority (KRA) to curb informality. Yet many entrepreneurs are reluctant to share information as *"it might not deem it in their best interest not to reveal certain details"*. A leading academic told us that, *"firms (also) view their data as a competitive advantage"*.
- **Datasets are often based on predetermined assumptions (and are also not fully representative):** Available datasets produced by key organisations (Kenya National Bureau of Statistics and the World Bank) will often have gone through several layers of analysis; yet still, they *"may not be fully representative"*, according to senior statisticians.
- **Demand-driven needs assessment from ventures are missing:** A leading ecosystem expert expressed frustration at not being able to understand the specific needs and problems faced by high-growth firms: *"the problems faced by high growth firms are unique" but "poorly understood"*. It is crucial to better determine what was the catalyst for their success - and which best data points to examine - to build learning loops around key information. An expert encourages the ecosystem to: *"look beyond revenue metrics: a lot of these companies may not be profitable for a decade, but high growth all the same"*.
- **Misalignment between industry and academia:** Closer strategic partnerships and alliances are essential. A Professor expressed frustration that, *"university research, and the data collected, is not used effectively or connected to industry decision-making: there is a serious mismatch"*.



Ethiopia Snapshot

An emergent ecosystem now embracing an entrepreneurship agenda. Improved financing alongside better data information management systems and targeted support can bolster future prospects.

“It is difficult to grow as a small firm; you need to be a sizable firm because all the resources are skewed towards supporting large firms; if they don’t have assets, they won’t be able to access finance”

(Economist)

We were presented with a series of perspectives, which, while not an exhaustive assessment of the market and data issues within the ecosystem, represent some notable points captured during our interviews.

Market perspectives presented to us:

Ethiopian firms face multiple challenges in scaling, including high taxation and stringent regulation leading to business knowledge gaps. Academics have identified a skills deficit within companies, while redundancy and lack of coordination in business support programs make it difficult to establish effective investment channels. The investor ecosystem is hindered by a siloed approach and a lack of collaboration. Political instability further limits financing options, with many relying on personal finances or family and social networks.

Traditional asset-based financing methods create barriers for smaller firms, and while digitalisation offers growth opportunities, connectivity issues remain a significant obstacle.

- **The scarcity of Venture Capital (VC) in the region means many ventures are self-financed:** However, economic challenges like inflation, political instability, and foreign exchange shortages make self-financing increasingly difficult. This situation is exacerbated as resources are predominantly directed towards supporting larger firms. With traditional financing like loans being largely collateral-based, reportedly 97% of loans require collateral, limiting options for many firms.
- **Firms in Ethiopia face challenges like inadequate digitalization and poor internet connectivity, which impede growth:** Many attempt to adopt business models from other regions, but high costs for technological tools often lead to the use of unauthorised software or systems. A leading academic observes, *‘High-growth businesses are often associated with technology, but opportunities exist across various sectors. Successful businesses commonly employ marketing strategies and e-payment systems, yet there’s a disconnect in how digital and traditional sectors, like manufacturing, use digital methods to engage customers.’* This emphasises the complex nature of business growth in the region.
- **Business support programs often run similar activities and fail to effectively connect founders with investors:** A successful founder remarked, *‘Incubators and accelerators seem siloed, each doing similar things without much differentiation.’* This lack of variety and networking opportunities hinders the development of a robust entrepreneurial ecosystem.
- **Collaboration within the entrepreneurial investor community remains nascent:** Contrasting with other markets where there’s a strides towards more collaboration are being made. By way of example, syndicate groups coming together which pull in both individual investors as well as institutional investors. One expert noted, *‘In other places,*

a VC might refer a mismatched venture to a more suitable investor. Such practices are less common here, impacting the networking and growth opportunities for startups." Zero sum approaches (you win, I lose) illustrate the embryonic nature of an emerging yet still immature ecosystem.

- **Secrecy issues and trust concerns remain at large:** culturally, openly sharing information and data is rare. Simply put, "*No one business person wants to share their data or information*". The notion that the public owns that the data still hasn't sunk in within the government." We were told that, "*There is also a wider cultural mindset change that needs to take place around data, even within the private sector*". Trust matters. Moreover, "*The majority of the decision-making is based on it [trust]....People consult individuals they trust, not the numbers*".

The data landscape:

The Ethiopian data sharing landscape is restricted by a culture of secrecy and underdeveloped government data practices. While entrepreneurs and non-government actors are attempting to fill data gaps, there is still a need for more detailed and longitudinal data to guide business decisions. A growing awareness of the importance of information sharing is emerging, with efforts to develop data platforms and calls for better organisational data practices. Addressing these issues will require cultural changes, enhanced trust, improved data management, and increased collaboration among all data stakeholders. Government information systems for data management have shown areas for improvement, yet there's an encouraging wave of change and growing awareness about the importance of data, signalling a positive shift towards enhanced data management practices.

- **Government datasets often exhibit inconsistencies:** We were told that relevant "*data is often outdated*" and that "*the datasets that are available from the government are inconsistent*". This can hinder efforts to match and correlate information accurately.
- **Critical gaps exist in the availability of demographic and income data within existing datasets:** Hitherto the market data available has been outdated, posing a significant challenge for entrepreneurs who strive to accurately assess consumer needs. This has resulted in inefficient, imprecise, and sub-optimal market outreach activities and research decision-making, as they are unable to effectively target and understand their consumer base due to these data deficiencies.
- **Data collection initiatives show improvement; but more concerted efforts needed, especially in support of ESO's:** The noteworthy contributions of Shega Insights in advancing market knowledge were duly recognised. While strides are being made in refining data collection methods, the struggle to acquire suitable instruments for effective assessments remains a pressing challenge. ESO representatives encounter difficulties in obtaining essential data. Simply put they said, "*ventures are not providing the data we need*". This situation underscores the urgent need for enhanced data sharing tools, collection methodologies, and collaborative processes within the ecosystem.



Rwanda Snapshot

A launchpad, but challenging market size, with limited success stories to date.

“Rwanda is a great place to test and a hard place to scale. As an ecosystem we need to start talking more about the benefits of scaling out from Rwanda to East Africa, but still hosting activities here”

(Venture Builder)

We were presented with a series of perspectives, which, while not an exhaustive assessment of the market and data issues within the ecosystem, represent some notable points captured during our interviews.

Market perspectives presented to us:

Rwanda is a small market that is presently composed mostly of very early stage ventures with only a few major players that are also part of politically connected monopolies. Rwanda also has a unique unilingual context.

- **Startups in particular struggle with access to capital.** High costs for licensing and a lack of local success stories deter investment. Whilst investors are adapting their expectations, they may also be overlooking high potential sectors like agriculture (and instead focus on tech startups). We heard how *“some ventures, like Easy Hatch, are growing at a fast rate but outside of the public eye”*. Investor performance expectations are also duly managed, as one told us: *“In Rwanda, we set the bar low for customers, in other markets, the bar is higher”*.
- **Founders in Rwanda have some strong ambitions but can lack technical knowledge and capacities** on criteria areas, such as supply chains, user experience, maintaining service and product quality. An ESO told us, *“Many startups are “founded by young people with limited professional work experience, business acumen, or exposure to different industries and sectors”*.
- **Firms also need better market intelligence and strategies for international expansion to scale.** Rwanda’s small market size and limited purchasing power alongside sometimes stringent regulations entails that ventures must be able to scale outside the country to secure private capital. We heard how, *“targeting the global markets requires skilled and experienced talent”*. Small firms face a challenge of attaining growth due to information and capacity constraints but also costs - to expand operations, many firms face licensing and certification struggles that require access to capital. Founders have little market intelligence at their disposal to identify products and services that are needed both locally and regionally. And that, *“Copycat firms are abundant”*.
- **Firms’ ability to access financing is also hindered by the small angel investing ecosystem in Rwanda.** This encourages an over-reliance on grants from founders in an ecosystem where there is a high volume of donor support. Donors have their own projects and mechanisms to support entrepreneurs which may not match market realities.

The data landscape:

Various governmental and regulatory bodies in Rwanda, private sector players, and policy institutions all employ diverse data collection methods. A patchwork of data exists, with many threads missing. Pan-African entrepreneurship support organisations focus more on developing entrepreneurship competencies for programme entry than firm level performance dynamics.

- **Too much reliance on investment data:** The attention on amounts of capital raised eclipses the need for solid data on revenue-generation. As a venture builder told us, *"we track way too much around investment; we need to look at solid balance sheets, and they [firms] making money? Because that will be like step one; attracting funding investment. that's a secondary signal"*.
- **Hard to develop a complete understanding of high-performing firms: governance, and organisational capacities remain neglected data points:** *"Basic business performance indicators such as cash position, profit, and revenue outlook are often hard to come by"*. Also data is not captured when it comes to leadership and gender dynamics. There is a strong recognition by key ecosystem catalysts to probe much deeper into firm level dynamics.
- **Demand for a digital data commons.** Many interviewees demanded a digital inventory of firms with data points such as: name, sector, country, age, founder profile, location, growth metrics (e.g. incremental revenues or sales, financial management and how much money is being reinvested into the business, etc). As a leading investor told us: *"One of the issues we have is the sharing of information between various players in this ecosystem. I shouldn't have to look for weeks on end about a company I know another firm or development partner looked at. There should be a central place to show me what I need"*.
- **Key to address data fragmentation and enabling greater sharing policies and mechanics:** it was acknowledged that there are improved efforts to modernise data practices in government to create more efficient collection processes. As yet, no centralised data inventory exists as responsibilities remain unharmonised. Clear data sharing processes among agencies would be highly beneficial to support this aim. Addressing these issues could, *"enhance the understanding of firms and the ecosystem which will support better decision-making for investors and founders alike"*.

Data collaboration model directions

Data sharing trends, although nascent, are gradually gaining momentum, marked by a shift towards data transparency catalysed by initiatives like the Kenya Open Data Initiative. These initiatives are significantly altering the data handling culture among government officials, with organisations like The Open Data Institute in Kenya leading this transformative wave. This cultural shift is especially noticeable in certain public sectors where collaborative approaches have yielded significant achievements. Moreover, collaborations between technology-based initiatives and governments are progressively enhancing policy-making, predominantly through the strategic use of citizen-generated data. Despite these emerging practices being limited and sector-specific, there is a clear trajectory of progress. Founder collaborations, particularly within closed private social networks, are flourishing, indicating a shift towards more transparent, open, and collaborative data ecosystems.

This evolution in data sharing is paralleled by growing demands from various sectors. Academics and Research Institutes seek comprehensive data analysis capabilities and insights into private sector innovation and emerging tech trends. Entrepreneurship Support Organizations (ESOs) need detailed data on startup life cycles and business scaling models, along with standardised analysis tools. Donors aim for enhanced data analysis to inform decisions and access to data on high-growth firms, while investors require access to internal venture Evaluation and Execution processes, disclosures on key metrics, and transparent data on market entry costs and industry outcomes. These demands underscore the increasing recognition of the importance of robust and accessible data in informed decision-making across various sectors.



Expert advice on design considerations and pathways forward for data collaboration models emphasises several key aspects:

- **Independence, impartiality, local ownership, and relevance** are critical attributes
- **Data extractive processes must be avoided.** An open data advocate insists that, *“When the data has been collected and analysed it should be sent back to those people with good insight and analysis”*.
- **Incentives for participation really matter, as does value in the process.** Ventures must recognise the direct benefits of participation. We heard from an investor that, *“ventures have their data rooms and some are ready to share in a snap of a finger to increase their chances of investment”*. Also, conversely, *“identifying founders’ names and the amount of investment raised as it could get dangerous - they become a target”*. For actors to participate, the advantages of data sharing must be clear and their data and IP must be safeguarded and protected. Adherence to data protection standards is crucial, coupled with the need to ensure data usability and transferability across different user interests. An academic we spoke with insisted on more precision so far as it must be, *“Very clear on why data is being collected, and what the benefits are for everyone in the ecosystem”*.
- **Collaborative mechanisms can effectively bridge the gap between academia and industry.** A University Professor emphasised this, noting, *“the (academic) data collected is vastly underutilised in industry decision-making, highlighting a significant mismatch”*. More effective collaboration pathways are evidently vital.
- **Personal interactions are fundamental in fostering collaborative efforts**, and including diverse stakeholders aligns incentives across the ecosystem.
- **A supportive policy and institutional environment which promotes, then sustains data collaboration, is indispensable.**

Conclusion

There is a concerted call for a more analytical, transparent, and collaborative data environment that enables predictive insights, strategic decision-making, and ecosystem-wide partnerships. The wise words from an experienced data collaboration expert from their own experiences remind us that,

“It must be acknowledged this is a long-term process needing behaviour change across attitudes, mindset, systems, policies, and regulations to get where you want to go.”

Annex 1

We are most grateful to the 60 experts who offered their valuable expertise, insights, and time (*some names have been removed for confidentiality*).

Addis Alemayehou <i>Kazana Group</i>	Dr. John Olukuru <i>Strathmore University Business School</i>	Judith Li Westerwelle <i>Startup Haus</i>	Fredrick Awuor <i>School of Information Science & Technology, Kisii University</i>
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