

# Innovation Challenge

Report 2021-2022





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# Acronyms:

<b>ABC-IF</b>	-	Africa Borderland Centre Innovation Facility
<b>ABC</b>	-	Africa Borderland Centre
<b>UNDP</b>	-	United Nations Development Programme
<b>ICBT</b>	-	Informal Cross-Border Trade
<b>GAC</b>	-	Grant Award Committee
<b>UNCDF</b>	-	UN Capital Development Fund
<b>SDG</b>	-	Sustainable Development Goals
<b>VSLAs</b>	-	Village Savings and Loan Associations
<b>KYC</b>	-	Know Your Customer
<b>UFG</b>	-	Users-Focus Groups (UFGs)
<b>AfCTA</b>	-	African Continental Free Trade Area



# Executive Summary



The vision for Africa Borderland Centre Innovation Facility (ABC-IF) is to empower and uplift borderlands communities through a people-centered approach, collaboration, and innovation. By leveraging the unique voices of borderlands people, Africa Borderland centre (ABC) aims to redefine the UN's development work and bring about a transformative impact on the lives of individuals living in these marginalized regions through innovation. To make a real difference in borderland communities, we believe in implementing innovative ideas that add value to the work of the United Nations Development Programme (UNDP). We emphasize the elevation of voices from borderland communities, ensuring that their abilities are valued and integrated into cross border development initiatives. For all innovation projects, ABC recognizes that technology is not the sole solution and emphasizes the implementation of non-tech projects that have organic and impactful outcomes in borderlands programs. Through a people-to-people approach, the 2021-2022 innovation challenge aimed to promote collaboration and knowledge-sharing among individuals, fostering a sense of community ownership and participation.

The innovation challenge placed emphasis on achieving proof of concept within 10 months. Inclusive experimental and control groups were established in each border pair where experimentation took place. Rather than focusing on piloting isolated initiatives, the innovation challenge sought to identify scalable ideas with proof of concept and replicate them across different borderlands communities. This approach allows for the scaling up of successful projects and ensures a broader impact on the lives of people.

Furthermore, we believe in investing in people and their intellectual property, acknowledging the valuable contributions and expertise within these communities. By integrating the private sector, we aim to leverage resources, expertise, and networks to drive sustainable development in borderlands regions.

In conclusion, ABC's Innovation Facility vision encompasses collaboration, innovation, and empowerment to transform the lives of borderlands communities. Through its people-centered approach, positive storytelling, evidence-based practices, and private sector integration, ABC strives to make a lasting and meaningful difference in the lives of individuals living in these marginalized regions.

### **Introduction to the Innovation Challenge Report:**

In May 2021, the Africa Borderlands Centre (ABC) initiated the 2021 Innovation Challenge, centered around the theme “Improving Livelihoods for Informal Cross Border Traders and Trading Communities.” The purpose of this challenge was to identify, nurture, and amplify local innovations within the borderland regions of Africa, which have emerged as crucial drivers of entrepreneurial activity supporting Informal Cross-Border Trade (ICBT). The selected ideas were required to address the persistent challenges faced by ICBT and offer sustainable solutions, with a particular emphasis on expanding opportunities for women and youth. The project's timeline spanned from June 2021 to December 2023, during which successful innovations with proven feasibility would be scaled up and replicated.

### **Purpose of the Report:**

This end-of-project report aims to provide a comprehensive analysis of the Africa Borderlands Centre's Innovation Challenge. It seeks to evaluate the impact of the challenge in promoting innovation within marginalized borderland communities, focusing on cross-border trade. The report will explore the various components of the work plan undertaken by the ten participating Accelerator Laboratories, shedding light on local sensing, innovation design, solution exploration, monitoring and evaluation, and reporting. Additionally, the report will emphasize the significance of the COVID-19 pandemic on cross-border trade and highlight the potential of the experimented solutions to be scaled up and replicated.

### **Overview of the report:**

The inaugural 2021 Innovation Challenge was an ambitious endeavor aimed at fostering sustainable economic development in Africa's border regions. In line with the theme of *Improving Livelihoods for Informal Cross Border Traders and Trading Communities*, the challenge sought to harness the potential of local innovations to overcome the barriers hindering Informal Cross-Border Trade (ICBT).

The participating Accelerator Laboratories, ten in total, were entrusted with executing a well-defined work plan comprising five key components. Firstly, the laboratories engaged in local sensing activities to identify the specific challenges faced by ICBT and gain a deeper understanding of the borderland communities. This knowledge served as a foundation for the subsequent stages.

Innovation design formed the next phase, wherein the laboratories worked closely with local entrepreneurs, traders, and communities to conceptualize innovative solutions. These solutions aimed to address the identified challenges and uplift the livelihoods of informal cross-border traders. The labs fostered an environment conducive to experimentation and collaboration, nurturing the development of ideas with high potential.

The third component, solution exploration, involved prototyping and testing the proposed innovations in real-world scenarios. This phase aimed to validate the feasibility, scalability, and impact of the solutions. Rigorous monitoring and evaluation mechanisms were implemented to assess the progress, identify strengths and weaknesses, and iterate on the innovations as required.

Throughout the project, the participating laboratories maintained a strong focus on reporting. This included documenting the entire innovation process, capturing valuable insights, and disseminating knowledge to stakeholders. The aim was to create a repository of best practices and lessons learned that could guide future initiatives and support evidence-based decision-making.

Importantly, the COVID-19 pandemic loomed over the challenge, posing additional obstacles for cross-border trade. The report will discuss the specific impacts of the pandemic on informal traders and how the innovations developed through the challenge have sought to address these challenges effectively.

The outcomes of the innovation challenge were multifaceted, encompassing several crucial areas. The first outcome focused on market intelligence gathering and investment information, equipping traders and communities with valuable insights to enhance their decision-making capabilities. The second outcome aimed at improving business cash flow through various means, such as pooling funds or leveraging crowd-funding platforms.

Recognizing the power of technology, the third outcome emphasized the integrated deployment of technological solutions to enhance the efficiency of cross-border trade activities. This involved leveraging digital platforms, e-commerce, and other digital tools to streamline operations. The report will present the innovation experiments from inception to completion, detailing the process followed, lessons learnt and recommendations.

### Processing of the Innovation Challenge Experiments:

#### Grant Award Committee (GAC):

The Grant Award Committee (GAC) was constituted in accordance with the rules and procedures of UNDP to review all proposal applications from the call for innovation challenge. The role of GAC in the innovation challenge process was to review all proposals received and recommend which ones should be approved for funding. To facilitate the GAC to carry out the process a proposal evaluation workshop was held on 14 to 15<sup>th</sup> June 2021, Naivasha Kenya.

The GAC meetings were chaired by the ABC Team Leader and decisions were made based on consensus. The GAC operates within UNDP rules and procedures, and its decisions do not legally bind the UNDP in financial or other transactions. All GAC decisions must comply with UNDP rules and procedures.

The Rules of Procedure for the GAC outlined guidelines for conducting meetings, decision making, grant considerations, and capacity building support. These rules were used to ensure transparency, ethical conduct, and a fair evaluation process for grant proposals. The GAC played a crucial role in selecting the highest scoring proposals and aiding grantees throughout the implementation of innovative projects.

The GAC was composed of appointed members who specialized on specific areas pertinent to the innovation challenge. The inaugural meeting of the GAC approved its Terms of Reference (TOR), Rules of Procedures, the Scoring Matrix, and other instruments guiding the conduct of its assignment. The ABIF relied on the GAC to select only the highest scoring UNDP Country Offices (Accelerator Labs) to be awarded the grant.

#### Decision Making of the GAC Committee

The quorum for GAC meetings constituted a simple majority of members with all members having voting rights. Decisions regarding the innovation grant grants were made based on a scoring matrix developed by the Africa Borderlands Centre and approved by the GAC. The first review of grant proposal documents was conducted by the GAC, who transparently explained reasons for disqualifying applications not pre-qualified for the second round of reviews. Details of applications that pass the first review were shared with GAC members. The GAC members then independently conducted a second review using the Scoring Matrix. Each member used a separate scoring sheet to determine the average score of all applications. The decision-making process was guided by the highest scoring proposals. Below table shows the paired country offices and title of the project they submitted:



S/N	Submitting UNDP Accelerator Labs	Title of Innovation Challenge Project
1	Zambia-Zimbabwe	Digitizing Trade and Financing for Women and Youth Cross Borders Traders.
2	South Sudan- Sudan	Traditional Meets Digital: The Sudan's Sanduk Savings Scheme.
3	Mali/Niger/Burkina Faso	Marketing of Small Ruminants (Sheep, Goats) Through a Digital Platform
4	Benin-Ghana-Togo	Digitalizing Grassroots Trade Practices for Increased Financial Empowerment and Community Integration for Women and Youth in the Aflao and Hillacondji Border Communities.



### Overview of Winning Experiments:

Paired Country and Border Area	Innovation Project Title	Overview
<p><b>Zambia-Zimbabwe:</b> Livingstone- Victoria Falls</p>	<p>Enhancing Digital Trade and Financial Inclusion for Women and Youth Cross-Border Traders in Zambia and Zimbabwe.</p>	<ul style="list-style-type: none"> <li>• UNDP Zambia and UNCDF conducted a study in Livingstone which found that COVID test certifications were hindering women traders in their cross-border trade activities. Similarly, a study conducted by UNDP Zimbabwe in 2020 revealed that informal social protection mechanisms, such as savings clubs, have high levels of mismanagement and embezzlement in rural areas. In light of these challenges, Zambia-Zimbabwe labs proposed an innovation experiment with the following objectives:</li> <li>• Firstly, the experiment aimed to improve the financial operating environment for informal Cross Border Traders (ICBTs) who are predominantly women and youth, through digitization and the use of mobile money platforms. This will facilitate easier and more secure financial transactions, reducing the burden of physical cash handling.</li> <li>• Secondly, the experiment aimed to promote efficient and secure transportation of products for ICBTs to their markets using transporter tracking systems. This was projected to help to reduce transport costs and increase the safety and reliability of product delivery.</li> <li>• Lastly, the experiment sought to increase women and youth ICBTs' access to financial products through a digital loan management system and real-time tracking of savings and income. This was projected to help to create a more inclusive financial system, enabling greater access to credit and investment opportunities for ICBTs.</li> </ul>



<p><b>South Sudan-Sudan Warwar</b></p>	<p>The Sanduk Savings Scheme Bridging Traditional and Digital Practices in South Sudan and Sudan</p>	<ul style="list-style-type: none"> <li>• The Sanduk savings scheme is a traditional method of savings in Sudan that has been in existence for centuries. However, the scheme faced various challenges, including limited access to loans and savings schemes, which hindered women’s economic empowerment in South Sudan and Sudan.</li> <li>• To address this issue, an innovation experiment was conducted with the objective of formalizing women and youth savings cooperatives in South Sudan and Sudan. The experiment aimed to build on the strength of the <i>Sanduk</i> framework and integrate savings and credit cooperatives (SACCOs) frameworks to promote financial inclusion of unbanked women and organic credit unions savings cooperatives through microfinance.</li> <li>• Traditionally, social structures dictate that women stay in their homesteads while men migrate with cattle. However, during these periods, women have started to venture into economic activities out of necessity. This has led to the need for access to loans and savings schemes to strengthen their economic standing and the resiliency of their income-generating activities.</li> <li>• The innovation experiment aimed to provide a platform for women and youth to access financial services, which will, in turn, promote economic growth and development. The integration of <i>m-Gurush</i> framework into the Sanduk savings scheme was seen as a key strategy for achieving this objective.</li> <li>• The traditional <i>Sanduk</i> savings scheme has been enhanced by the incorporation of <i>m-Gurush</i> framework to promote financial inclusion of unbanked women and organic credit unions savings cooperatives through microfinance. This innovation experiment has the potential to formalize cross-border trade and promote peace-enhancing economic gains in South Sudan and Sudan.</li> </ul>
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<p><b>Mali-Niger-Burkina Faso</b></p> <p>Menaka-Dori and Kaya</p>		<ul style="list-style-type: none"> <li>• The Mali-Burkina Faso-Niger Cluster worked with displaced borderland communities in Bamako to reduce wastage, improve nutritional health and enhance women's participation in the value chain of the dairy sector.</li> <li>• Initially focused on small ruminant marketing through a digital platform, the project shifted its focus to milk production due to regional insecurity. The study found that Dori had the strongest milk value chain among the three border areas, but the average milk production was significantly lower than global standards. Challenges identified included the lack of bulking equipment, limited milk processing and value addition. To address these issues, training was provided to smallholder milk farmers, a digital platform called "La Translait" was developed, and marketing centers were engaged to improve access to markets.</li> </ul>
<p><b>Ghana-Benin-Togo</b></p> <p>Aflao Border</p>		<ul style="list-style-type: none"> <li>• The Ghana-Benin- Togo Cluster (Aflao) diversified and expanded market opportunities for Kente textile producers, which improved technical know-how, market opportunities, livelihoods and profit for borderland practitioners.</li> <li>• The project focuses on enhancing the Kente value chain, promoting product diversification, and providing capacity-building activities to achieve various positive outcomes.</li> <li>• Firstly, by improving the skills of Kente weavers and expanding market opportunities, the project contributes to economic growth.</li> <li>• Secondly, the project emphasizes the preservation of cultural heritage and identity.</li> <li>• Thirdly, the project promotes sustainable production and consumption practices within the Kente industry. Lastly, the project focuses on gender empowerment and social inclusion.</li> </ul>

## Results of the Innovation Challenge Experiment:

### South Sudan-Sudan

The results of the innovation experiment conducted by South Sudan and Sudan Labs show significant progress towards the digitalization of traditional *sanduks* and increased financial inclusion. The experiment resulted in a 20% increase in the adoption of digital *sanduks* and a high level of confidence in the digital money platform, with 87% of participants feeling safe using it. This can be attributed to the fact that 72% of the experimental group participants were trained on digital and financial literacy skills, which highlights the importance of financial education for promoting financial inclusion.

The experiment also led to a diversification of business ventures, with a significant increase in the number of participants involved in bakery and restaurant businesses. This is an encouraging trend, as it indicates that digital financial services can enable entrepreneurship and income generation, which are essential for poverty reduction and economic growth.

Furthermore, the experiment led to an increase in the rate of saving, as 47% of participants saved money on a weekly basis by the end of the experiment, up from 38% at the beginning. This is a positive trend towards financial stability and security, which is essential for achieving the SDGs.

The shift from traditional *sanduks* to digital *sanduks* also led to a decrease in the use of cash and traditional *sanduks*, indicating a growing confidence in the digital money platform. This trend is particularly important for achieving SDG 8, which aims to promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

The use of technology to access financial services is also a promising trend, as 72% of experimental group participants were trained in digital literacy, with 62% using technology to transfer money. This highlights the potential of digital financial services to promote financial inclusion and empower individuals, particularly in rural areas where access to traditional financial services may be limited.

Additionally, the experiment showed that mobile phone technologies are a popular means of accessing financial services, with 51% of respondents using them. This trend is important for achieving SDG 9, which aims to build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

Overall, the results of the innovation experiment demonstrate the potential of digital financial services to promote financial inclusion, entrepreneurship, and economic growth. The experiment highlights the importance of financial education and digital literacy for promoting the adoption of digital financial services, which are essential for achieving the SDGs.



**Transformation Impact:** The experiment showed a positive shift from traditional *sanduks* to digital *sanduks*. Initially, all 100 participants used traditional *sanduks*, but by the end, 80% of them had transitioned to using digital *sanduks*. This indicates a significant transformation in the way participants managed their finances. The adoption of digital *sanduks* can enhance financial inclusion, convenience, and security.



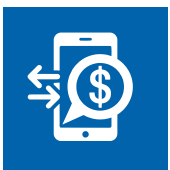
**Confidence in Digital Platform:** A notable 87% of participants felt safe using the digital *sanduks*. This high confidence can be attributed to the fact that 72% of the experimental group participants received training in digital and financial literacy. The training likely equipped them with the necessary knowledge and skills to navigate the digital platform securely. Building confidence in digital financial services is crucial for their widespread adoption.



**Diversification in Business:** The experiment demonstrated an encouraging trend in business diversification. Initially, only 22% of participants were involved in tea selling, but by the end, 37% had diversified into bakery and restaurant businesses. This shift signifies an expansion of economic opportunities and a move towards more sustainable and potentially profitable ventures. Diversification can contribute to poverty reduction, economic growth, and the development of sustainable livelihoods.



**Increased Rate of Saving:** The experiment witnessed an increase in the rate of saving among participants. At the beginning, 38% of participants saved money on a weekly basis, which rose to 47% by the end. This positive change indicates a growing culture of savings, which can promote financial resilience, provide a safety net during emergencies, and support investment in education, health, and other development priorities.



**Digital Money in Sanduk:** The experiment showcased a shift towards digital money usage. Initially, there was no digital money platform, but by the end, 35% of experimental group participants were saving money digitally. Additionally, the number of participants keeping money in cash and traditional sanduks decreased from 51% and 34% respectively at the beginning to 34% and 20% respectively at the end. These findings indicate a growing confidence and acceptance of the digital platform, as more individuals embraced the convenience and benefits it offers.



**Increase in Weekly Contributions:** The experiment demonstrated a significant increase in weekly contributions. Initially ranging between 4000-400 SSP, the contributions surged to 17500 SSP by the end. This substantial increase indicates a heightened level of financial engagement and commitment from the participants. Larger contributions can lead to the accumulation of more capital, fostering economic growth, and enabling individuals to invest in income-generating activities.



**Technology Usage:** The experiment emphasized the role of technology in accessing financial services. With 72% of participants trained in digital literacy, 62% were able to use technologies for money transfers. This highlights the importance of digital skills in leveraging technology to enhance financial inclusion. By providing access to financial services through technology, barriers such as distance and infrastructure can be overcome, contributing to increased financial participation and empowerment.



**Emerging Findings:** The experiment revealed several emerging findings. First, 51% of respondents utilized mobile phone technologies for financial services, showcasing the widespread adoption of mobile platforms. Second, 55% of users accessed services on a monthly basis, indicating regular engagement with digital financial solutions. Finally, 87% of respondents felt safe keeping money with Mobile Service Providers, indicating a high level of trust in these service providers. These findings highlight the potential of mobile technologies in driving financial inclusion and the importance of building trust in digital financial services.



**Gender Participation:** The experiment highlighted gender dynamics in financial transactions. Women accounted for 54% of the transactions, while men represented 46%. This demonstrates women's active involvement in managing their finances and signifies progress towards gender equality.



## Zambia-Zimbabwe:

The Zambia-Zimbabwe Innovation Challenge had several positive results and impacts on the participants and their communities. The experiment aimed to digitize the movement of goods across the Zambia-Zimbabwe borders and to enhance transparency and encourage a saving culture through digitizing the practice of table banking. The results from the experiment included the following:



**Improved Digital Literacy and Bookkeeping Skills:** The post-experiment survey conducted in October 2023 revealed that the experiment successfully improved participants' digital literacy skills. An impressive 85% of participants were extremely familiar with the Village Savers App, indicating that they gained proficiency in using digital tools for financial transactions. Additionally, 85% of participants were extremely familiar with bookkeeping rules, showcasing an improvement in their financial record-keeping abilities. These enhanced skills contribute to the participants' capacity to engage in digital financial services and manage their financial activities effectively.



**Increased Access to Capital:** The experiment had a significant impact on female ICBT (informal cross-border traders) practitioners, as 83% of them gained access to new sources of capital within the first two months of the social experiment. This access to capital is vital for supporting and expanding their businesses. Furthermore, the incremental progression in access to capital within the subsequent four-month cycle demonstrates the sustainability of the experiment's impact. By facilitating access to capital, the experiment has the potential to promote entrepreneurship and economic empowerment among women, contributing to SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth).



**Financial Inclusion:** The experiment successfully increased financial inclusion among the participants. Prior to the experiment, 75% of the participants were unbanked. However, after the experiment, 75% of them acquired business bank accounts. This indicates that the experiment enabled previously excluded individuals to become part of the formal financial system, thereby providing them with better access to financial services, credit, and opportunities for economic growth. Increased financial inclusion aligns with SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities).



**Increased Savings:** The experiment demonstrated a positive correlation between digitization and increased savings among participants. One of the Village Saving groups experienced a remarkable increase in savings, raising their savings from \$300 to an unprecedented \$1700 within a period of six months. Moreover, VSLAs (Village Savings and Loan Associations) that transitioned from analog bookkeeping to the Village Savers digital App collectively recorded a surge of 372.8% in savings. This emphasizes the potential of digital platforms and tools to encourage a saving culture and improve financial resilience. Increased savings contribute to SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth).



**Enhanced Bookkeeping Skills:** The experiment had a significant impact on bookkeeping skills, as 85% of participants became extremely familiar with bookkeeping rules. This suggests that the digitization of table banking facilitated better financial record-keeping practices among the participants.



**Positive Savings Behavior:** The experiment showcased a positive correlation between digitization and increased savings among participants. One Village Saving group demonstrated impressive progress by increasing their savings from \$300 to an unprecedented figure of \$1700 within six months. Moreover, VSLAs migrated from analog bookkeeping to the Village Savers digital App collectively recorded a surge of 372.8% in savings. These findings highlight the potential of digital tools to promote savings behavior and financial resilience.



### Improved Digital Literacy and Bookkeeping Skills:

85% of participants were extremely familiar with the Village Savers App.

85% of participants were extremely familiar with bookkeeping rules.



### Increased Access to Capital:

83% of female ICBT practitioners gained access to new sources of capital within the first two months of the experiment.

There was incremental progression in access to capital within the subsequent four-month cycle.



### Financial Inclusion:

Prior to the experiment, 75% of participants were unbanked.

After the experiment, 75% of participants acquired business bank accounts.



### Increased Savings:

One Village Saving group increased their savings from \$300 to \$1700 within six months.

VSLAs that transitioned to the Village Savers digital App recorded a surge of 372.8% in savings.



### Enhanced Bookkeeping Skills:

85% of participants became extremely familiar with bookkeeping rules.



### Positive Savings Behavior:

One Village Saving group increased their savings from \$300 to \$1700 within six months.

VSLAs that migrated to the Village Savers digital App recorded a surge of 372.8% in savings.

### Mali- Niger-Burkina Faso:

The innovation experiment conducted by the Africa Borderlands Centre in Mali, Niger, and Burkina Faso focused on improving the dairy production and value chain in the borderland communities. The project leveraged data from a Business Case Analysis developed by the UNDP AccLabs in the three countries, specifically analyzing the milk value chain in the border towns of Dori (Burkina Faso), Tera (Niger), and Menaka (Mali). Due to insecurity in the region, the original idea of small ruminant marketing through a digital platform was replaced with a focus on milk production.

The study revealed that Dori has the strongest milk value chain among the three border areas. However, the average milk production of 610 liters per annum falls significantly short of the world's best practice of 8,000 liters. The estimated milk potential of the tri-border area is substantial, reaching 267,638,834 liters. One of the key challenges identified was the lack of bulking equipment, which hindered the stocking and transportation of milk over long distances and led to losses. Additionally, a significant opportunity for value addition was identified, as only less than 10% of the milk produced was processed, with a mere 3% being value-added into cheese, butter, and ghee.

To address these challenges and tap into the market potential, training was conducted for 150 smallholder milk farmers in Menaka on modern milk bulking, hygiene, standardization, and transportation of milk products. The project also engaged the milk marketing centers in Bamako, Mali, to develop a digital platform called “La Translait” for the sale of milk products, with the aim of enhancing access to markets. The “La Translait” App was designed, test-run, and utilized in coordination with 2Scale and La-Translait Milk Corporation, and training sessions were conducted for sellers, transporters, and resellers on using the app for improved sales.

The project aligns with several of the Sustainable Development Goals (SDGs), particularly SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 9 (Industry, Innovation and Infrastructure). The project has contributed to poverty reduction by increasing the income of smallholder milk farmers and creating job opportunities in the dairy value chain. The project has also improved food security by increasing the availability of high-quality dairy products in the region. The participation of women in the dairy value chain is a step towards gender equality. The use of modern agricultural practices and digital technology has contributed to economic growth and the development of infrastructure in the region.

UNDP-ABC supported the design, test-run, and utilization of the “La Translait” app in coordination with 2Scale and “La-Translait” Milk Corporation. Training sessions were conducted for sellers, transporters, and resellers to familiarize them with the app and improve sales. Simulation exercises were also carried out, demonstrating the market potential of the digital marketing platform. The simulation showed that the app facilitated the sale of five products: fresh milk, Fene, Wagashi, Ghee/Sirime, and plain Yoghurt.

During the simulation phase, the digital marketing platform facilitated the sale of five products: fresh milk, Fene, Wagashi, Ghee/Sirime, and plain Yogurt. Over a three-week period, 24 traders interacted with the app, resulting in 57 orders, out of which 47 were successfully transacted, while 10 were unsuccessful due to technical glitches. The transactions were facilitated by the "Orange Money" mobile payment platform, which was linked to the “La Translait App”. In the immediate vicinity of the simulation (Commune n6- Bamako), transactions among 24 patrons generated a turnover of 179,500 FCFA. Considering the estimated 3,000,000 inhabitants in need of dairy products daily, the market potential of the digital platform is significant.

The results and impacts of the project can be analyzed in several aspects:



**Improved Livelihoods:** By enhancing milk production, bulking, and value addition, the project has the potential to improve the livelihoods of smallholder milk farmers in the borderlands of Mali, Niger, and Burkina Faso. Increased milk production and access to markets can lead to higher incomes and economic opportunities for these communities.





**Market Expansion:** The simulation exercise demonstrated the market potential of the digital platform, with successful transactions and a turnover generated within a short period. The availability of a digital platform for dairy product sales can expand market reach, enabling smallholder farmers to connect with a larger customer base, including the estimated 3,000,000 inhabitants in need of dairy products.



**Value Addition:** The low percentage of milk being processed and value-added into higher-priced products such as cheese, butter, and ghee presents an opportunity for accelerated value addition. By encouraging and supporting farmers to process and add value to their milk, the project





Number of products facilitated for sale through the 'La Translait' app: 5 (fresh milk, Fene, Wagashi, Ghee/Sirime, plain Yogurt)

Estimated number of inhabitants in need of dairy products daily: **3,000,000**

Number of smallholder milk farmers trained in Menaka: **150**

Turnover generated in the immediate vicinity of the simulation: **179,500 FCFA**

Percentage of milk value-added into cheese, butter, and ghee: **3%**

Number of unsuccessful transactions due to technical glitches: **10**

Percentage of milk processed: **Less than 10%**

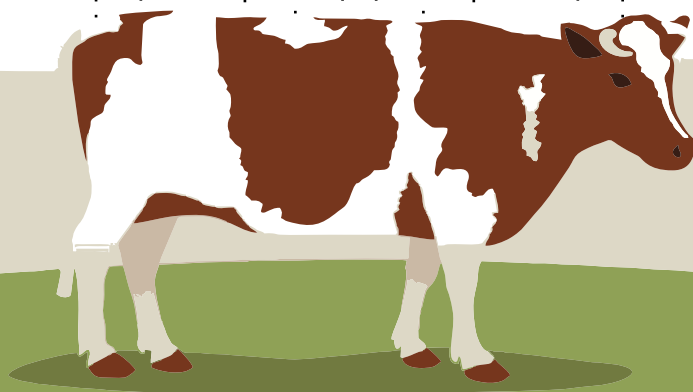
Number of successful transactions during the simulation: **47**

Estimated milk potential of the tri-border area: **267,638,834 liters**

Number of orders generated during the simulation: **57**

Average milk production in Dori: **610 liters per annum**

Number of traders involved in the simulation phase: **24**





**Enhanced Value Chain:** The project focused on enhancing the Kente textile value chain at the Aflao border. By providing training in quality Kente weaving and entrepreneurship, the project aimed to improve the skills of Kente weavers and promote product diversification. The development of new products such as interior decoration, furniture, casual textiles, and home accessories expanded the market potential for Kente beyond traditional uses. This enhancement in the value chain can lead to increased economic opportunities for the weavers and other actors involved in the trade of Kente.



**Capacity Building and Skill Development:** A total of 44 Kente weavers were trained in capacity-building activities, quality systems, and standardized Kente and modernized weaving processes. This training not only improved the technical skills of the weavers but also equipped them with knowledge in quality control, standardized processes, and modern weaving techniques. These enhanced skills can contribute to producing higher-quality Kente products, which can attract a larger customer base and potentially increase the income of the weavers.



**Product Diversification and Market Expansion:** The project's focus on product diversification resulted in the development of four new products with proven market potential: interior decoration, furniture, casual textiles, and home accessories. By expanding the range of products beyond traditional Kente cloth, the project tapped into new market segments and increased the demand for Kente products. This diversification can contribute to the sustainability of the Kente industry by reducing its dependence on a single product and expanding its reach to different customer preferences.



**Entrepreneurship and Marketing Guidance:** In addition to technical skills, the project provided guidance in designing, developing, and marketing Kente products. This support in entrepreneurship and marketing can empower the weavers to establish their own businesses, explore new market channels, and effectively promote their products. By nurturing entrepreneurship within the Kente industry, the project encourages self-sufficiency and creates opportunities for economic growth and job creation.

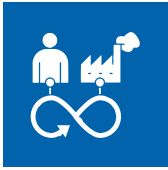
### Trends and Potential Impact of the Kente Project on Sustainable Development:



**Economic Growth and Poverty Alleviation:** The project's efforts to enhance the Kente value chain, promote product diversification, and provide capacity-building activities can contribute to economic growth. By improving the skills of Kente weavers and expanding market opportunities, the project enables increased income generation and employment within the Kente industry. This can have a positive impact on poverty alleviation by providing sustainable livelihoods for the weavers and their communities.



**Cultural Preservation and Identity:** Kente is a culturally significant textile used for decoration and cultural celebrations. The project's focus on modernizing the Kente industry while preserving its traditional weaving techniques helps maintain cultural heritage and identity. By creating market demand for Kente products, the project promotes the continued practice of Kente weaving and contributes to the preservation of African textile traditions.



**Sustainable Production and Consumption:** The project's emphasis on quality systems and standardized processes promotes sustainable production practices within the Kente industry. By training weavers in quality control and modern weaving techniques, the project encourages the use of sustainable materials and efficient production methods. Additionally, the development of new products like interior decoration and furniture can promote sustainable consumption by offering eco-friendly alternatives to mass-produced textiles and home goods.



**Gender Empowerment and Social Inclusion:** Kente weaving is traditionally performed by both men and women. By providing training and capacity-building activities to Kente weavers, the project promotes gender equality and empowerment. By expanding the market potential and economic opportunities for Kente products, the project also enhances social inclusion by involving more actors in the value chain, such as entrepreneurs, designers, and marketers, who can contribute to the industry's growth.

01

**Enhanced Value Chain**

Number of Kente weavers trained in quality Kente weaving and entrepreneurship: **44 weavers.**

02

**Capacity Building and Skill Development:**

Number of Kente weavers trained in capacity-building activities, quality systems, and standardized Kente and modernized weaving processes: **44 weavers.**

03

**Product Diversification and Market Expansion:**

Number of new products developed: 4 (interior decoration, furniture, casual textiles, home accessories).





## Lessons Learned

Lessons Learnt	Explanation
<b>Access to Digital Financial Services:</b>	One of the crucial lessons learned from the project is the significance of providing accessible digital financial services to informal cross-border traders. By leveraging mobile money platforms, participants were able to access secure, convenient, and affordable financial services. It enabled them to conduct transactions, save money, and access credit, ultimately improving their financial resilience.
<b>Education and Training:</b>	The project highlighted the importance of tailoring digital financial inclusion solutions to the specific needs and contexts of the target communities. Each location had unique characteristics, such as language barriers, cultural practices, and regulatory frameworks. Therefore, it was essential to adapt digital financial tools and interventions to ensure relevance, usability, and acceptance among the informal cross-border traders and trading communities.
<b>Collaboration and Partnerships:</b>	Collaboration and partnerships emerged as critical factors in the success of the innovation challenge. Engaging key stakeholders, such as government agencies, financial institutions, and technology providers, helped create an enabling environment for digital financial inclusion. Building strong partnerships facilitated the development of tailored solutions and the implementation of supportive policies, regulations, and infrastructure.
<b>Addressing Regulatory Barriers:</b>	The project highlighted the need to address regulatory barriers that impede digital financial inclusion for informal cross border traders. Complex and restrictive regulations, including stringent Know Your Customer (KYC) requirements, limit the ability of traders to access financial services. Advocacy efforts aimed at streamlining regulations and introducing risk-based approaches proved crucial in facilitating the integration of informal traders into the formal financial system.
<b>Last-Mile Distribution and Agent Networks:</b>	Establishing a robust last-mile distribution network and expanding agent networks was critical for the successful implementation of digital financial inclusion initiatives. Remote border areas often lack access to reliable network coverage and financial service providers. Investing in the expansion of agent networks and improving network infrastructure proved instrumental in extending the reach of digital financial services to underserved trading communities.
<b>Building Trust and Awareness</b>	Building trust and creating awareness about digital financial inclusion were critical aspects of the project's success. Many informal traders were initially skeptical or unaware of the benefits of using digital financial services. Through robust community engagement strategies, including training workshops, informational campaigns, and demonstrations, trust was built, and awareness about the advantages of digital financial inclusion was raised. This played a vital role in overcoming initial resistance and encouraging adoption.



<b>Continuous Capacity Building</b>	Continuous capacity building was essential for sustainable adoption and effective usage of digital financial services. Informal traders and trading communities needed ongoing training and support to understand the functionalities, benefits, and security measures associated with digital financial tools. Capacity building efforts included training on basic financial literacy, digital literacy, and cybersecurity to empower the participants to leverage digital financial services effectively.
<b>Interoperability</b>	Another lesson learned from the innovation experiment was the importance of interoperability in digital financial services. Informal cross-border traders often operate across multiple countries and engage with various financial service providers. Therefore, having interoperable systems that allow seamless transfer of funds and transactions between different platforms and institutions proved crucial. Interoperability enabled traders to access a wider range of financial services and conduct transactions more efficiently, regardless of their location or the service provider they were affiliated with.
<b>Revolving funds</b>	The innovation experiments highlighted the potential of revolving funds as a valuable financial tool for informal cross-border traders. Revolving funds are pools of money that are continuously replenished through repayments and are used to provide short-term loans to traders. By establishing revolving funds tailored to the needs of informal traders, access to affordable credit was facilitated, which allowed them to invest in their businesses, expand their operations, and improve their overall financial stability. The experience with revolving funds demonstrated their potential to stimulate economic growth and empower informal traders by providing them with a reliable and accessible source of capital.

### Lessons learned from the selection process

The GAC identified several key lessons learned from the proposal review process, which greatly influenced the implementation innovation experiment in the eight borders. During the Proposal Evaluation process, the following were recommended:

Lesson Learned	Explanation
Conduct Local Baseline Mapping.	It is crucial to gather data on phone usage and internet penetration in the targeted location where the experimentation will take place. This includes collecting information on mobile phone usage, internet accessibility, and other relevant data.
Improve Contextual Information	To ensure successful implementation, enhanced contextual information is required. This includes assessing the level of infrastructural support, physical and digital security, logistics, socio-political contexts, and conducting market analysis.

	Understanding these factors will help determine how these enablers can facilitate or hinder the use of digital technology.
Real-Time Interactions	Proposals should demonstrate how inputs into digital platforms will occur in real-time, ensuring sustainable interactions beyond the support provided by the ABC (Accelerator Labs) and UNDP (United Nations Development Programme).
<b>Gender Considerations</b>	Gender lenses should be applied to the proposals, emphasizing the percentage of women who will benefit from the pilots. Given the disproportionate disempowerment of females in accessing digital technology in border regions, it is crucial to address this disparity and ensure greater inclusivity.
<b>Cost-Marketing Analysis</b>	The proposals should include an analysis of the cost-marketing implications and potential market distortions that may arise from implementing the ideas. Understanding these implications is vital for making informed decisions and developing effective strategies.
<b>Enabling Environment Analysis</b>	The proposals should assess the enabling environment for innovation, focusing on policy, legislation, and practices. Analyzing these factors will provide insights into the supportive or hindering aspects of the existing ecosystem.
<b>Streamline Activities</b>	It is essential to streamline the proposed activities to ensure they can provide proof of concept within a 10-month period. This will help maintain focus and achieve tangible results within a specific timeframe.
<b>Geographical Limitations</b>	Due to the emphasis on digitization and related challenges, all proposals should be geographically limited to a single location, preferably within a border pair. This concentration allows for targeted efforts and a more concentrated impact.
<b>Inclusive Users-Focus Groups (UFGs)</b>	During the co-creation phase, each project should establish inclusive Users-Focus Groups (UFGs) within the controlled environments where the experimentation will occur. These UFGs will provide valuable feedback and insights throughout the process.
<b>Leaving No One Behind</b>	One additional lesson learned is the importance of ensuring inclusivity and accessibility for all cross border communities, particularly those who are traditionally marginalized or disadvantaged. The experiments prioritized reaching out to vulnerable populations, to ensure they are not left behind in the digital innovation process. This was achieved by considering their specific needs, providing appropriate resources and support, and ensuring that the digital solutions are user-friendly and accessible to all. By adopting a Leave No One Behind approach, the innovation experiments contributed to reducing the digital divide and promoting equal opportunities for all members of the community.

By implementing these recommendations, the Accelerator Labs can enhance the piloting of initiatives in the designated border pairs, fostering innovation, inclusivity, and sustainable digital technology practices.

# Recommendations:

1. **Address Poverty in the Borderlands:** Recognize the significance of poverty in the borderlands and ensure that the innovation experiment's interventions directly target most marginalized through tailored initiatives.
2. **Mitigate Elites' Capture:** Acknowledge the invisibility of Medium, Small, and Micro-enterprises (MSMEs) and implement measures to prevent elites from capturing the benefits of the innovation experiment. Foster transparency, inclusivity, and equitable access to resources.
3. **Overcome Border Management Challenges:** Recognize that border management extends beyond logistical challenges and includes tariff and extortion costs. Seek innovative solutions to reduce these costs, streamline processes, and enhance cross-border trade efficiency.
4. **Utilize AFCTA Opportunities:** Leverage the African Continental Free Trade Area (AFCTA) as a platform for the innovation experiment. Identify synergies and explore how the experiment can align with AFCTA objectives, enabling trade facilitation and regional integration.
5. **Expand Cultural Exchange and Trade Competencies:** Recognize the untapped potential of cultural exchange and trade competencies. Explore opportunities to integrate cultural exchange programs and initiatives that enhance trade skills and knowledge exchange in the innovation experiment.
6. **Promote Peace Dividends and Governance:** Recognize the role of cultural exchange in fostering peace and governance. Tap into the potential of the innovation experiment to promote social cohesion, strengthen governance structures, and enhance cultural diplomacy in the borderlands.
7. **Consider Women and Youth Involvement:** Ensure a comprehensive understanding of women and youth participation in different economic activities. Collect data on the proportion of women and youth engaged and design interventions that promote inclusivity, empowerment, and equal opportunities.
8. **Account for Seasonal Impacts:** Acknowledge the seasonality of agriculture, trade, and pastoralism activities and the limitations of realizing impacts within a ten-month implementation period. Develop strategies to evaluate and measure outcomes effectively while considering seasonal variations.
9. **Deploy Risk Capital:** Allocate risk capital to stimulate innovation and incentivize new approaches in the borderlands. Encourage experimentation, learning, and the scaling up of successful innovation ideas, particularly in collaboration with the ABC (name of organization) in the learning cycle.
10. **Capture Benefits and Trade Knowledge:** Ensure the innovation experiment captures and disseminates benefits and knowledge related to cross-border trade. Develop mechanisms for sharing best practices, lessons learned, and trade facilitation strategies among borderland communities.
11. **Address Informality and Formality:** Clarify how the innovation experiment will navigate the complexities of informal and formal cross-border trade. Develop strategies to bridge the gaps between the two sectors, promoting formalization while recognizing the importance of informal trade dynamics.
12. **Holistic Approach for Women and Youth:** Adopt a holistic approach to address barriers faced by women and youth in participating fully. Consider challenges such as limited access to education, sexual and reproductive health issues, and the impact of COVID-19 on peace and security.
13. The experiment also presents an opportunity to leverage the African Continental Free Trade Area (AFCTA), cultural exchange, and inclusive governance. However, certain considerations regarding the timeframe, seasonal impacts, risk capital deployment, and evaluation methods need to be addressed. Additionally, the experiment should adopt a holistic approach, taking into account education access, sexual and reproductive health issues, and the impact of COVID-19 on peace and security.



# Conclusion of the Report:

In conclusion, the innovation experiment conducted by the Africa Borderlands Centre identified three common components that contribute to empowering and uplifting borderlands communities: revolving funds, commodity value chains, and training on digital, innovative finance, and entrepreneurship.

The innovation challenge focused on achieving proof of concept within a 10-month timeframe, establishing inclusive experimental and control groups in each border pair where experimentation took place. Rather than piloting isolated initiatives, the challenge sought to identify scalable ideas with proven concepts that could be replicated across different borderlands communities. This approach enables successful projects to be scaled up, ensuring a broader impact on people's lives.

Moreover, ABC believes in investing in people and their intellectual property, acknowledging the valuable contributions and expertise within these communities. By integrating the private sector, the organization aims to leverage resources, expertise, and networks to drive sustainable development in borderlands regions.

ABC's Innovation Facility vision encompasses collaboration, innovation, and empowerment to transform the lives of borderlands communities. Through its people-centered approach, positive storytelling, evidence-based practices, and private sector integration, ABC strives to make a lasting and meaningful difference in the lives of individuals living in these marginalized regions. By embracing innovation and emphasizing community participation, ABC seeks to create a positive and sustainable impact in borderlands areas, redefining the approach to development work and fostering positive change at a local level.

## Appendices:

- A. List of the winners and their innovations
- B. List of honorable mentions
- C. Evaluation criteria and scoring rubric
- D. List of judges and their affiliations
- E. Information on the Innovation Challenge partners and sponsors
- F. Innovation Concept Note:

