

Africa  
Borderlands  
Centre



Africa Borderlands  
Centre's Innovation  
Facility

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# Innovation Challenge

**THEME: IMPROVING LIVELIHOODS FOR  
INFORMAL CROSS-BORDER TRADERS  
AND BORDERLANDS TRADING COMMUNITIES**



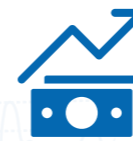
**GUIDELINES & ELIGIBILITY CRITERIA  
FOR THE 2021 AFRICA BORDERLANDS  
INNOVATION CHALLENGE**

## BACKGROUND & PROBLEM STATEMENT

The goal of the 2021 Innovation Challenge of the Africa Borderlands Centre is to curate, experiment and upscale local borderland innovations that have become the lynchpin of the entrepreneurship culture which has sustained Informal Cross-Border Trade (ICBT). The ideas of interest include those capable of providing durable solutions, to the barriers against ICBT, particularly through the expansion of livelihoods opportunities to women and youths. The 2021 Innovation challenge is focused on home-grown solutions to ICBT challenges in the borderlands.

## 2021 INNOVATIVE CHALLENGE: PORTFOLIO OF SOLUTIONS

Indicative questions that guide ideas for consideration include by thematic category:



### 1. Market Intelligence:

How can mapping of consumer behaviours, purchasing habits, demand and supply flows, trends and patterns of transactions be utilized to develop or expand pipelines for ICBT in borderlands communities? How can such information be managed, updated and utilized across different periods and how can this strengthen inclusiveness and profitability for ICBT businesses being run by the most vulnerable and marginalized, particularly women and children?



### 2. Crowd/Pooled Funding:

How can these indigenous practices on resource mobilization, credit management, cashflow management and lending be curated, adapted, expanded and blended with private sector funds, to benefit more borderland traders and trading communities? How can private sector players (Banks, Telecommunications Companies, etc.) be incentivized to support the formalization of cross-border businesses, boost profit margins for the traders and promote sustainability through capital injection?



### 3. Technology:

How can technology leverage on the existing local practices to boost the trading capacity and reach of ICBT traders and reduce the risks associated with physical travel? How can new protocols in digital interoperability be developed, to enhance the efficiency of mobile money across borders? How can the informal financial systems reduce abuse, fraud and other risks associated with “black market” transactions through technology? How can these lead to reduction in transaction costs, time lag, multiple taxation, exploitation, and harassment of traders be reduced through more efficient and transparent financing system for cross border trade?



#### 4. Investment-Readiness Programming

How can youths and women, who are marginal players, or not included in the ICBT value chain, be cultivated to enable them organize their businesses in such a manner that could attract increased trust, capital and other forms of support from investors, within the borderlands or in the formal sector.



#### 5. Green and Energy Efficient ICBT:

How can cost-efficient measures for capturing carbon dioxide contribute to the creation of green energy sources and enhance sustainability of small and vulnerable borderlands ICBT-focused businesses?

## MAJOR OBJECTIVE

The major objective of the 2021 Africa Borderlands Innovation Challenge is support ideas from three (3) border pairs, comprising six border communities, to implement innovation, focused on improved livelihoods through access to finance for borderlands traders and trading communities, particularly women and youth in at least one of five portfolio of solutions.

## APPROACH

The 2021 Africa Borderlands Innovation Challenge will seek to interrogate key issues, namely: What is the impact of financial exclusion on ICBT in the borderlands? How has limited access to finance disproportionately affected female borderlands traders? What are the existing local innovative and creative ideas on funding ICBT in the borderlands? How can these innovative and creative ideas be scaled to provide development solutions to the challenge of limited access to funding by ICB traders?

Specific UNDP Accelerator Labs, working in pairs across borders, will be expected to strengthen partnerships with borderlands' communities to explore durable solutions in areas including, but not limited to: market intelligence gathering and investment information; improvement of business cashflow through polling of funds or crowd-funding; integrated deployment of technology to enhance business efficiency; improvement of investment readiness programmes to promising youth and women entrepreneurs; and green, sustainable funding mechanism to enable energy-efficient approach to CBT.

## TYPE OF INNOVATION ELIGIBLE FOR FUNDING

### Testing & Transition Innovation:

Ideas that already demonstrated promise, with potentials for expanding to scale and financial viability. The primary focus shall be on the households, particularly informal innovation of new products within families and homesteads, which are capable of providing creative solutions for rural households exposed to multidimensional social and economic challenges, poverty and most vulnerable to climate change impact, including rain-dependent farmers; refugees and internally displaced persons households; and female headed households. The Africa Borderlands Innovation Challenge may in future, support pilot activities that have not been proven to have social and financial viability, as well as ideas that are meant to achieve long-term growth.

### Targets:

The priority regions for implementation of innovation at the Great Lakes, Horn of Africa and Sahel Region. However, applications are welcome from UNDP AccLabs outside the three regions, and the three (3) highest scoring proposals, based on objective criteria by the Grants Award Committee (GAC) shall be approved for the grant.

## ELIGIBILITY CRITERIA

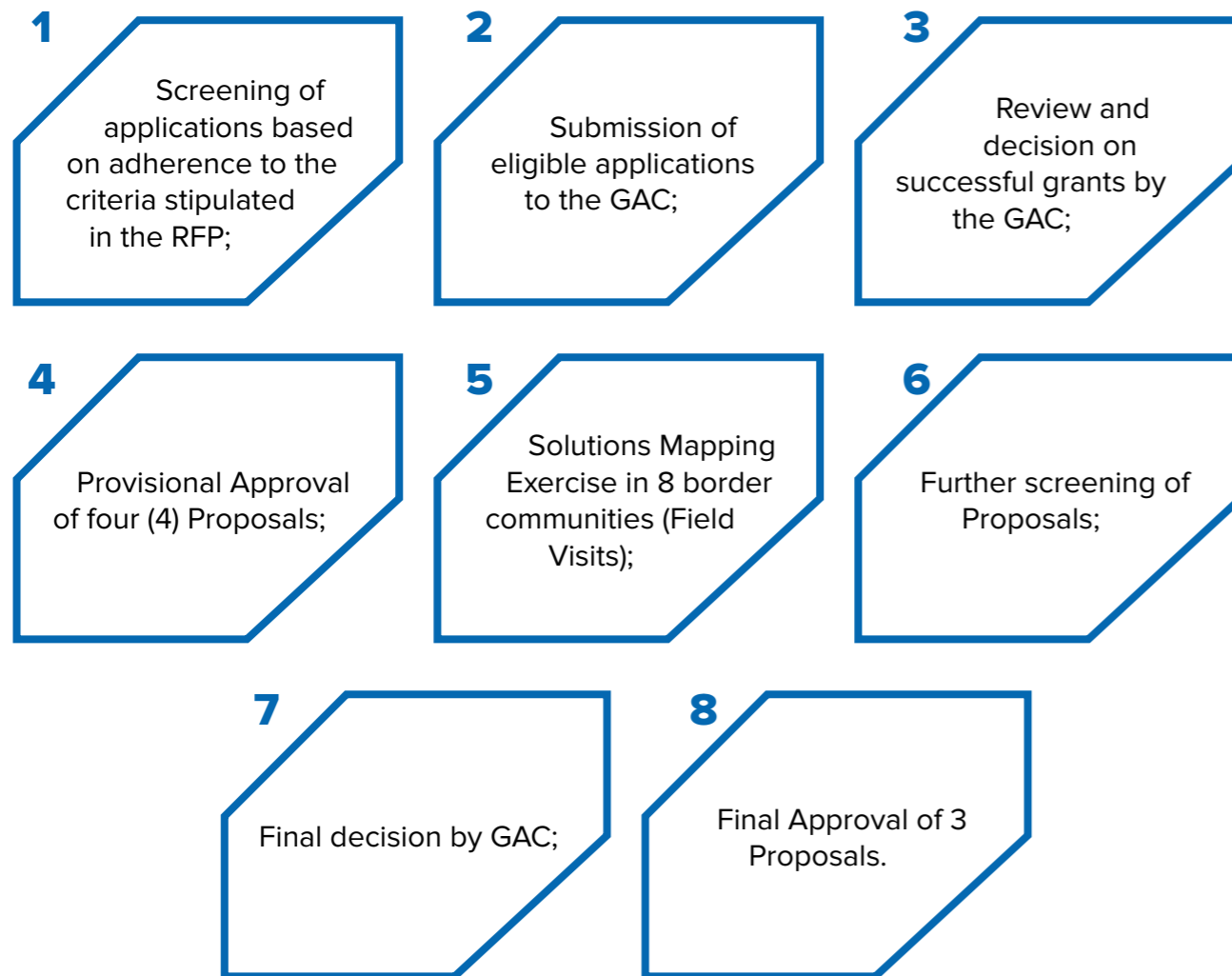
Interested UNDP AccLabs and Country Offices in the Regional Bureau for Africa (RBA) region are eligible to submit applications for the 2021 Innovation Challenge.

**The major criteria for the 2021 Africa Borderlands Innovation Challenge are the following:**

- ✓ Innovation that are based on scientific evidence of potential impact for the improvement of quality of life of borderlands' communities;
- ✓ The primary thematic focus is on ICBT in the borderlands;
- ✓ The major beneficiaries are women and young persons involved in ICBT;
- ✓ Innovations implemented in border pairs, cutting across at least two countries;
- ✓ Innovations that are new and capable of generating a new model of solving a problem and that can be easily scaled to achieve maximum impact;
- ✓ Activities that demonstrate that they can be easily scaled to achieve maximum impact;
- ✓ Activities with clear and viable exit strategy for UNDP AccLabs/Country Offices;
- ✓ Activities that are led and driven by local borderlands inhabitants with skills to deliver;
- ✓ Activities that promote social cohesion through creative entrepreneurship models;
- ✓ Activities that are ready for investment, with potentially strong consumer demands and particularly interesting to investors from the private sector; and
- ✓ Activities that are sustainable based on the social capita and limited resources of the borderlands' communities; and
- ✓ At least 70% of the budget should be dedicated to the actual innovation.

## SELECTION PROCESS

The successful applications shall be selected through the following steps:



Successful applicants will be notified by the Africa Borderlands Centre's PMU.

## SEQUENCING OF IMPLEMENTATION FOR SUCCESSFUL APPLICANTS



## ROLE OF THE BORDERLANDS INNOVATION LABORATORY

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The ABC's PMU is responsible for providing overall thought-leadership to the conceptualization and design of the innovation process. Its specific roles include coordination of the co-creation and solutions mapping workshops in the implementing border communities; development and application of monitoring and evaluation tools for the innovation challenge; provision of quality assurances for the implementation; overall management of accountability of the resources extended to recipient AccLabs/COs; and support to visibility/ communication of the innovation outputs.

The project implementation shall be facilitated by the ABC, specifically through the conceptualization and design; transparent governance of the process; technical advisory and guidance; funding support; oversight and quality assurances; and provision of visibility.

## FUNDING

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Funding for each awardee for the 2021 round will not exceed USD160,000 for each successful proposal. This funding support is provided to two country offices implementing the proposal. The counterpart funding required from each country office applying to the challenge is USD40,000.

## APPLICATION

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Interested AccLabs (through their Country Offices) may apply through RBA website on this [link](#). Completed applications, and attachments should be submitted in zipped folder to: [hello.africaborderlands@undp.org](mailto:hello.africaborderlands@undp.org).

The Innovation Challenge application window is from Monday, 10 May 2021 to Sunday, 30 May 2021 at Midnight EAT.

## HAND-HOLDING SUPPORT FOR APPLICANTS

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The Africa Borderlands Centre shall provide technical support to each Country Office applying to this innovation challenge, through series of **Clinic Sessions**, based on demands. This provides a forum for clarifying unclear issues related to the application process. The Clinics will be open on **Friday, May 14th and Wednesdays, 19th and 26th May 2021**. Country Offices/ AccLabs interested in such session should send an email request at least 48 hours prior to the session through: [hello.africaborderlands@undp.org](mailto:hello.africaborderlands@undp.org). Please note that a maximum of 30 minutes will be dedicated to address request pertaining to a proposal.

## ENQUIRIES

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Further information on the Innovation Challenge may be obtained in the FAQs section

# Africa Borderlands Centre



**United Nations Development Programme**  
Africa Borderlands Centre  
Nairobi Thematic Hub  
UNON Complex Gigiri  
Block M Level 3  
Nairobi - Kenya  
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