



United Nations Capital Development Fund Pacific Digital Economy Programme

08th December 2021

What is the Pacific Digital Economy Programme?



- Market development programme focused on building inclusive digital economies, and jointly implemented by:



- Five countries in scope:

Samoa

Tonga

Fiji

Solomon Islands and

Vanuatu

- Inception phase of USD 6.5m for two years

What is the Development Challenge we are trying to address?



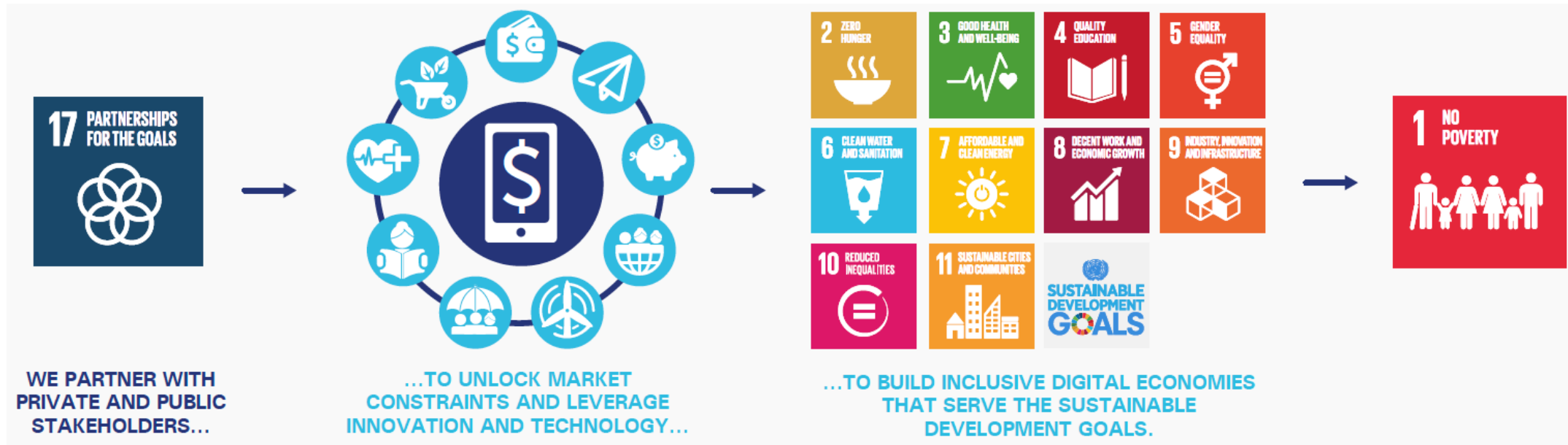
- Considerable progress in financial inclusion has occurred, but still vast swaths of the Pacific remain unbanked and unconnected
- Significant investments in core digital infrastructure, but many Pacific Islanders are facing the risk of being excluded from the rapidly developing digital economy and the opportunities this brings when linked to the 'real' economy
- COVID-19 acts as amplifier, as well as catalyst for change
- Various market constraints that stop an inclusive digital economy
 - Last mile distribution (meso and micro level)
 - eCommerce ready payments systems
 - Digital and financial literacy
 - Nascent or non-existent digital innovation eco-system



Promoting inclusive digital economies in the Pacific

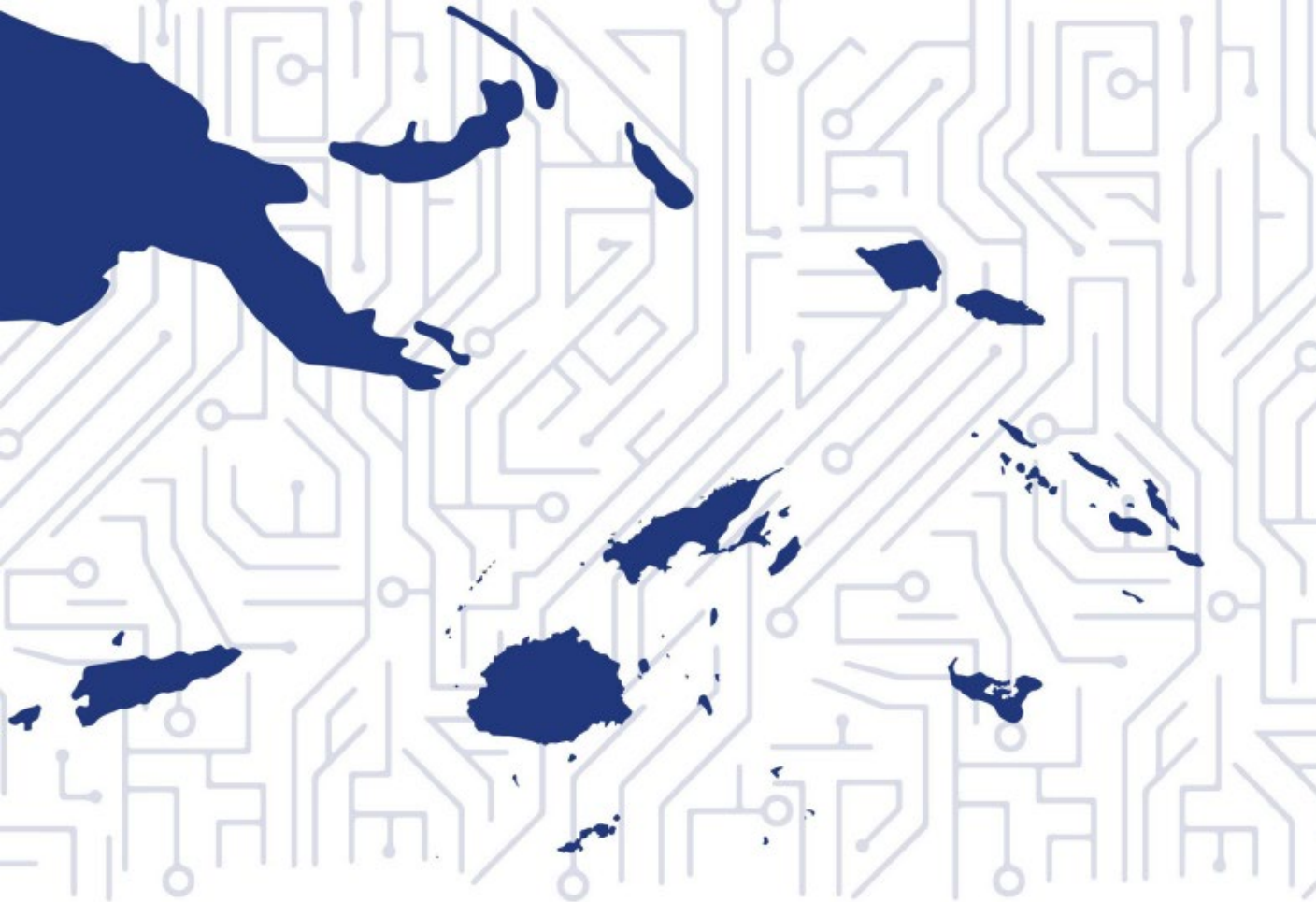
Our Vision is to promote **inclusive digital economies**

Our Goal is to enable Pacific Islanders to use innovative digital services in their daily lives that empower them and contribute to achieving the Sustainable Development Goals.





- Inclusion continues to be at the heart of UNCDF's strategy to promote digital economies that leave no one behind, which can only be achieved if the digital economies are developed at the national level and if there is a focus on making them inclusive—without any new form of exclusion.
- We place particular importance on **youth, women, migrants, refugees, and micro-, small- and medium-sized enterprises (MSMEs)**, customer segments that are often marginalized and denied digital innovation and technology due to social norms, societal status, and limited revenue and capacity.
- We place the empowerment of these customer segments at the centre of UNCDF initiatives to develop innovative services in various sectors.



ENTREPRENEURSHIP ECOSYSTEM IN THE PACIFIC

NETWORK ANALYSIS AND MAPPING OF INSTITUTIONS SUPPORTING ENTREPRENEURSHIP

Fiji, Samoa, Solomon Islands, Timor-Leste, Tonga, Vanuatu, and Papua New Guinea



Methodology: Regional and at Country Level



PILLAR 1

- Listing of actors by support stage
- Identification of Gaps
- Identification of Overlaps

PILLAR 2

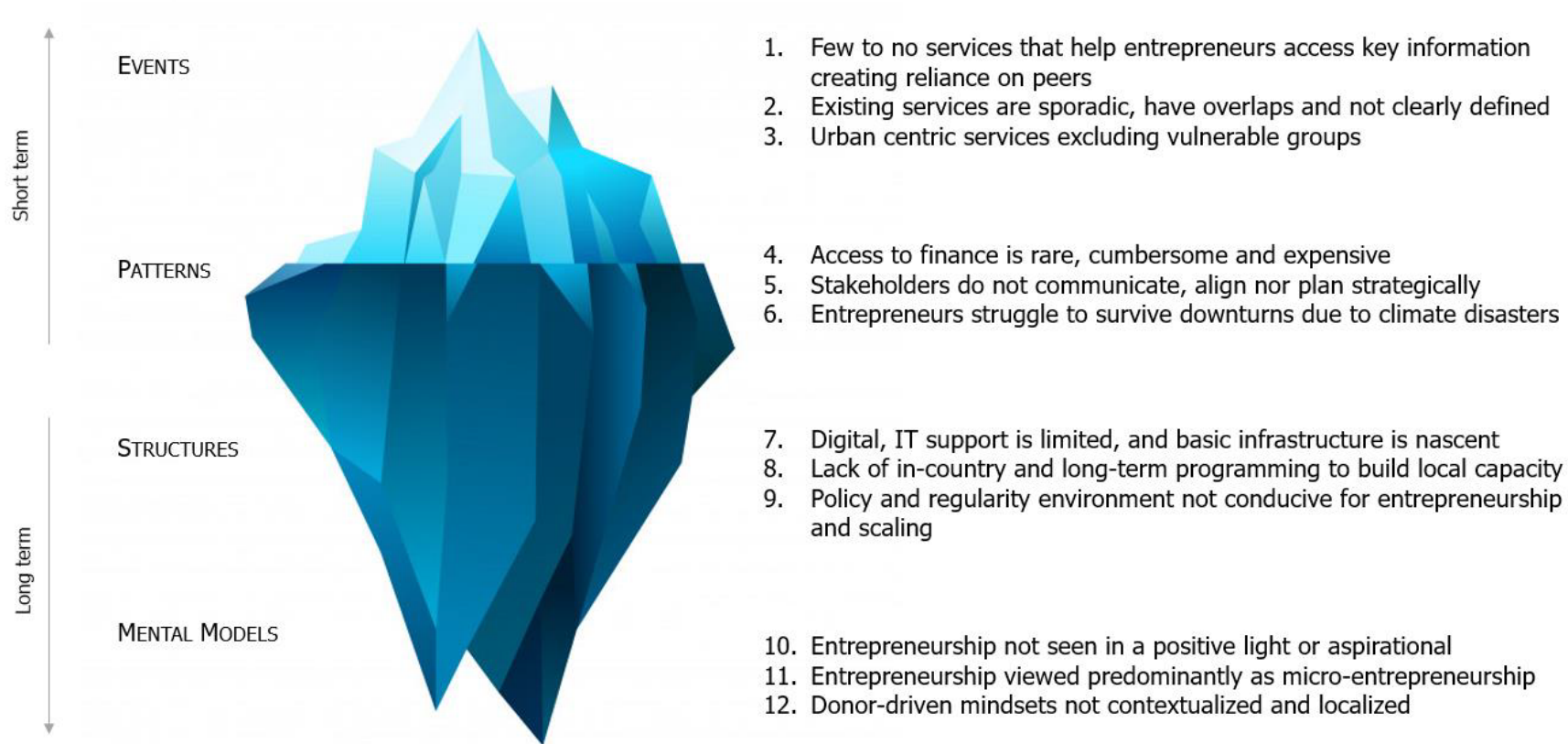
- Network analysis
- Analysis of potential collaborations and synergies

PILLAR 3

- User experience
- Study of entrepreneurs journey in the ecosystem



Key Characteristics of the Pacific Ecosystem





Entrepreneurship Ecosystem Mapping Report

Summary of recommendations

SHORT-TERM

	Build a pipeline of entrepreneurs and new start-ups	Strengthen the base supporting existing entrepreneurs	Support Growth extending the support journey
SHORT-TERM	Awareness Pathway Incubation	Crosscutting elements Build digital capacity Training and connecting ESOs	Mentoring and coaching Market testing and access
MEDIUM-TERM	Alumni engagement Building curricula	Channel entrepreneurs voice Knowledge management ESOs network building	Peer to peer support for ESOs Build start-up executives network ESOs value proposition
LONG-TERM	Tech support Celebrate success Virtual incubation / acceleration Entrepreneur's visibility	Start-up associations support Ecosystem objectives and measurement Communication and knowledge sharing	Accelerator programs linkages with support providers at the next maturity level

MEDIUM-TERM

LONG-TERM

Key recommendations for Short-Term Ecosystem Building



1. Create a **one-stop-shop** where all stakeholders can access information about what institutions are providing support to entrepreneurs in the country
2. Define a clear step-by-step **pathway of support** for entrepreneurs from idea to growth.



Objectives

1. Equip entrepreneurs with the **digital financial literacy skills** to improve well-being and innovation-for full empowerment and participation in an evolving digital and knowledge-based economy.
2. Empower entrepreneurs to lead **digital entrepreneurship and digital innovation** in the Pacific by designing and piloting products and services for others who already see the added value of digital services and digital financial services.
3. **Build pipeline** of local talent and existing entrepreneurs to drive digital financial solutions in the market, and create **investment-ready** start-ups and SMEs.



The Incubation pathway

The Incubation pathway requires a longer gestation period (1-1.5 years) for business model validation and preparation, with a considerable element of hands-on involvement from the programme needed from the start, and with extensive screening of candidates and technical assistance support.

UNCDF provides risk-capital grants and technical assistance for the development and roll-out, typically over a two to three-year period.



Incubation activities includes:

- Screening and growing ideas locally and internationally
- Testing concept in the field in real business conditions
- Iterative prototyping in the field to come with minimum viable product
- Providing specific support in the form of technical assistance (mentorship, digital expert, etc.)
- Providing/facilitating risk-sharing instruments through the whole journey
- Support start-up / entrepreneur to develop partnership with key players on the market to grow business
- Providing investment-readiness assistance and capital facilitation



Thank you