



**Project full name:**  
Innovation for Social Change

**Priority:**  
Improving Youth Livelihoods

**Phase I:**  
2022 - 2027

**SDC contribution:**  
CHF 10'000'000

**Total phase budget:**  
CHF 28'019'900

**Implementing Partner:**  
Small Enterprise Assistance Funds (SEAF)

## Project Overview

Tanzania is one of the fastest growing economies in Africa and bears a lot of potential in many areas, one of them being innovation. This promising and dynamic area has seen rapid developments in the last few years. However, while Tanzania's innovation performance has been improving, upcoming innovators and start-ups struggle to scale up. The innovation ecosystem is still at an early stage and holds different challenges, such as limited funding for start-ups and insufficient coordination between stakeholders. In addition, although economic growth has been strong, the absolute number of poor people has increased due to population growth and widening inequalities<sup>1</sup>. Innovation has the potential to address these development issues.

The proposed programme puts an emphasis on innovation for social change, focusing on areas related to the priorities of the Swiss Agency for Development and Cooperation in Tanzania – improving youth livelihoods, promoting civic space, strengthening state institutions, gender equality and climate change - thus contributing to the realisation of the 2030 Agenda for Sustainable Development.

## Overall Goal

To contribute to an ecosystem, in which thriving small and medium sized impact driven enterprises improve the living standards of Tanzanians, especially poor youth and young women, as customers, suppliers or employees.

The programme has two components:

1. Support a **Catalytic Innovation Fund**, with the aim to address the lack of access to relevant financial instruments for impact enterprises. The Fund will provide catalytic funding to stimulate the flow of investment

and to incentivize sustainability, commercial viability of businesses and social impact.

2. Contribute towards a **conductive environment** for impact enterprises in order to foster coordination and complementarity of the different stakeholders' initiatives. By supporting the development of acts and policies like the Startup Policy, stakeholder coordination towards an inclusive, gender-sensitive, holistic and systematic support to impact enterprises.

## Expected outcomes

### Impact objective:

- Poor people, in particular youth and young women, benefit from innovations (as customers, suppliers and employees), leading to social change.

### Catalytic Innovation Fund:

- Access to Impact Capital is increased in Tanzania as a result of the Catalytic Fund and others engaged in the ecosystem.
- Impact enterprises, particularly those developed by women and young entrepreneurs, are able to translate innovative and impactful ideas into business opportunities and to mobilize financial means from private investors to sustain them.

### Conductive Environment:

- The innovation ecosystem is strengthened and collaborative and national policies support innovations for social changes, being inclusive and gender sensitive.

## Beneficiaries

The **direct beneficiaries** are social enterprises that prioritise positive social and economic benefits, particularly among youth and women, as part of their business models.

The **end beneficiaries** will be the most vulnerable part of the population, in particular youth and women, who will benefit as consumers, suppliers and employees from innovations that will improve their livelihoods.

**INNOVATION:** The process of transforming a new idea into a product, service or business model that delivers significant economic, social and/or environmental value.

**SOCIAL ENTERPRISE:** A business with certain social objectives as its primary goal while using a commercial structure to run the organisation

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<sup>1</sup> World Bank Tanzania Mainland Poverty Assessment, 2019