Enhancing Innovation and Entrepreneurship eco-system in the Arab Region

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What is Innovation?

• “If invention is a pebble tossed in the pond, innovation is the rippling effect that the pebble causes.

• Someone has to toss the pebble. That’s the inventor.

• Someone has to recognize the ripple will eventually become a wave. That’s the entrepreneur.”

-Tom Grasty, 2012
Digital entrepreneur & co-founder of Stroome
What is innovation?

- It is about making that **which exists better**, so therefore **improving services, processes and products**

- Innovation is a **process, trail and error**

- It can only be **successful**, when **aligned** with the **strategic business principles** of the **institution**

- In today’s world, innovation is a subject of great importance because it stimulate growth in a highly competitive market.
Drivers of Innovation

• Human factor is the main driver of Innovation

• Good education and talented people are the basis of Innovation and entrepreneurship

• Actors such as Schools, academia are essential for providing knowledge and promoting innovation and entrepreneurship, and also

• Institutions, industry and government

• R&D, infrastructure, incubation, mentoring

• Funding, markets, and business
The Innovation and Entrepreneurship eco-system

• Model
  • Components are intrinsically linked to each other
  • Two layers:
    • 1 Policy, Finance & Incubation
    • 2 R&D, Human capacity & Knowledge Transfer

• Foster innovation by
  • Educating people well
  • Supporting creativity
  • Providing resources and incentives
  • Making innovation a part of organizational culture

Eco-system for supporting entrepreneurship in some Arab countries

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<th>Lebanon</th>
<th>Jordan</th>
<th>Egypt</th>
<th>Tunisia</th>
<th>Morocco</th>
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<tr>
<td><strong>Incubators/Techno Parks</strong></td>
<td><em>Berytech, BIAT, SouthBIC</em></td>
<td><em>iPark, JICs, Al Urdonia</em></td>
<td><em>Flat6Labs, Tahrir2,</em></td>
<td><em>AlGhazela &amp; Sfax Techno Parks,</em></td>
<td><em>Casablanca Technopark</em></td>
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<td><strong>Accelerators</strong></td>
<td><em>AltCity, Seeqnce</em></td>
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<td><strong>Funds (VC, Angels)</strong></td>
<td><em>Berytech Fund, MEVP</em></td>
<td><em>Oasis500 Fund, N2V, Bidaya</em></td>
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<td><strong>Support organization</strong></td>
<td><em>Bader, Cisco Entrp Institute</em></td>
<td><em>Queen Rania Center for Entrepreneurship</em></td>
<td><em>Nebny Foundation, Egypreneur</em></td>
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<td><em>Algeria Startup Initiative</em></td>
<td><em>UNIDO EDP</em></td>
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Components of any innovation system

• Government policies and regulations, and international standards, guidelines
• R&D organizations
• Education system – knowledge transfer & human capital development
• Financial support systems – government, venture capital
Innovation and Entrepreneurship programs in Arab Region

- **ESCWA Digital Arabic Content Competition**
  - The ICTD launched the National DAC Competitions in cooperation with technology incubators in Egypt, UAE, Jordan, Lebanon, Palestine, Syria and Yemen

- **MIT Pan Arab Startup Competition (since 2006)**
  - Targeting 21 Arab countries & more than 4,000 applications every year
  - Winner gets 50k$ + visibility + exposure + mentoring

- **Stars of Science, by Qatar Foundation**
  - Pan-Arab reality-TV program dedicated to innovation & next generation of young Arab innovators, with more than $500,000 in cash prizes for the top 3 finalists
Innovation and Entrepreneurship programs in Arab Region

- Regional Support programs
  - Wamda, TechWadi, Mowgli (mentorship & networking), INJAZ (youth)

- Regional Funds
  - Wamda, Intel Capital, Malaz Capital, Riyada Entreprise Development, Saffar, Sawari Ventures, Siraj Capital, RisingTide Fund, Tuninvest-AfricInvest, Jabbar Internet Group, Silicon Oasis Ventures, Sindbad Ventures

More on http://en.wikipedia.org/wiki/List_of_Arab_entrepreneurship_initiatives
Funding in Arab Region: VC investment

- Arab region has been reluctant to invest in innovation and venture capital to date
  - Tradition of investing in low-risk activities such as real estate or the stock market, where exits are much easier.
  - Almost 80% of entrepreneurs in seven Arab countries are financed by family members and only about 10 percent benefit from government programs
Funding in Arab Region: VC investment

• The past four years have seen a significant increase in VC-related transactions, with more than 50% in ICT:
  – 45% IT & Software, 8% Telecom
  – 12% Media, 12% Industrial Manufacturing
  – 21% Other

• Egypt and the UAE are the locations for more than half of the total transactions since 2006 (56 per cent)
  – Egypt benefits from a large and fast-growing population
  – UAE is a popular destination for fund managers given the size and dynamic nature of the economy
Impact of Entrepreneurship in Arab Region: QRCE impact in Jordan

- The Queen Rania Center for Entrepreneurship is a Non-Profit organization established in 2004 to help develop Technology Entrepreneurship in Jordan.

- The Center plays the role of a national Center of Excellence for Entrepreneurship. To date:
  - +25K people participating in networking activities
  - +100 Training workshops & seminars organized
  - +300 Jobs created
  - +15 National conferences & competitions organized
  - +$2M Annual incomes for the supported companies
  - +5K Participants in public seminars
  - +1K participants in training courses
Framework for Enhancing the eco-system of Innovation and Entrepreneurship in the Arab region
Strategic Actions

• Choose Sectors with High Potential
• Encourage Research & Inventions
• Improve Public Policies & Regulations
• Enlarge Sources of Finance
• Improve Infrastructure
• Create a Talent Pool
Choose Sectors with High Potential

- The fifth WTDC of the ITU identified 5 specific ICT priority areas for the Arab region, such as:
  - Broadband access networks
  - Digital broadcasting
  - Open-source software development and deployment
  - Arab digital content
  - Enhance Cyber security
Research & Inventions

• Enhance R&D at both public and private level

• Innovation should be given priority for funding (grant schemes)

• Develop Technology Transfer Offices in Universities to commercialize research

• Provide incentives for corporations; their R&D should be tax-deductible
Enlarge Sources of Finance

- Create national funds for innovators & entrepreneurs
- Develop angel and seed investing (more risky)
- Encourage large ICT corporations to invest in startups (and be tax deducted)
  - Create innovation programs to stimulate their services
THANK YOU

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