

Start-up incubators and accelerators are renewing technical assistance

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While digital Africa is booming, technical assistance (TA) and financial assistance play a key role in the development of a start-up. In this context of innovation, accelerators and incubators are experimental laboratories for TA. AFD Group is involved by financing these structures and supporting all the players in the entrepreneurial ecosystem.

Africa is the continent with the most entrepreneurs among its population (20%) and over a quarter of them are women. A new generation of companies is emerging there: start-ups with high growth potential that generally use innovative technologies in connection with the rapid growth in mobile phones and connected uses.

In this context of a booming digital Africa, technical assistance (TA) and financial assistance play a major role in the emergence, growth and scale-up of a start-up. In this respect, accelerators and incubators, which are sometimes grouped under the term entrepreneurship support structures (ESS), are major players in the entrepreneurial ecosystem.

While their missions are sometimes confused, an incubator is in essence the place where innovative start-ups are supported. It has a long-term mission to help entrepreneurs go from an idea to the realization of their projects. It does so by providing support for training and seeking financing or

partnerships. An accelerator generally offers a program of limited duration. It focuses on a customized approach which may include mentoring or training mechanisms, sometimes with more specific components for fundraising.

ESS: THE CORNERSTONE OF THE ENTREPRENEURIAL ECOSYSTEM

If ESS are considered as the cornerstone of the entrepreneurial ecosystem, it is primarily because they are designed to condense the entire range of services not provided by the other players. They assist entrepreneurs with their professional development through mentoring and allow them to acquire the necessary skills through specific training (management, marketing, business development, corporate law, finance, administration, etc.), while providing them with a coworking space with access to broadband internet.

They also allow entrepreneurs to build their professional networks through support between cohorts. This collective approach also makes it possible to achieve significant economies of scale by pooling the similar needs of participants. While ESS have a very broad scope of action in Africa, there are equally great disparities in the range of services. Indeed, these services are very much dependent on the capacity of these structures to obtain financing, as they are never sure to achieve their profitability with a client base of start-ups.

In addition to the traditional skills targeting business performance, iterative experimental methodologies must be considered as a base to help empower young entrepreneurs on dynamic markets. For example, the “lean start-up” concept encourages start-ups to be frugal with their resources, by testing each hypothesis with their target and pivoting in response to the feedback from the users of the product or service proposed. Emphasis is also placed on the behavioral skills required in a world in transition.

By making greater use of these methodologies, incubators and accelerators become real experimental laboratories and rigorous observatories of innovation in Africa, supported by new models such as virtual incubators and start-up studios.

AFD SUPPORTS INNOVATIVE ASSISTANCE

AFD Group is a committed partner for incubators and accelerators. It takes action both by financing these structures and by providing TA to support all the players in the entrepreneurial ecosystem, which subsequently provide technical assistance to the entrepreneurs.

For example, the AFIDBA (AFD for Inclusive and Digital Business in Africa) project, which is based on a consortium of ten players including five beneficiary incubators, aims to develop inclusive entrepreneurship in the digital sector. This project focuses on the incubation of 60 start-ups and seed funding for 28 others, as well as on the implementation of a support methodology to build the capacities of incubators.

This new approach makes it possible to more effectively target the start-ups selected and build expertise for the support proposed.

Taking a similar approach, the Digital Africa seed fund, via the operators AfriLabs and Afric’innov, takes action to improve synergies between the various ESS through training workshops, certifications for hubs of excellence and by sharing best practices across the continent.

Through its support to ESS, AFD Group is able to reach more entrepreneurs organized as communities, test new support methodologies and develop local skills in technical assistance.

Read more:

SIBC IS ACCELERATING HIGH-IMPACT PROJECTS IN AFRICA

The Social & Inclusive Business Camp (SIBC), which was launched by the AFD Campus in 2017 and is now implemented by a consortium led by Investisseurs & Partenaires (I&P), fits in with AFD Group's non-financial support. It is based on three months of innovative online training, an in-person bootcamp week and a mentoring program. SIBC supports the acceleration of the projects of entrepreneurs that have positive impacts in Africa, by providing practical skills (technical and behavioral) and establishing contacts with investors.

The program financed by AFD Group also offers strong international visibility, while building a community of mentors committed to sharing their experience with entrepreneurs in the making. Over 200 entrepreneurs have been supported - about 30% of them women - with the help of 50 mentors and 40 partners, bringing together over 30 nationalities.

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