

# Supporting Start-Ups Tech Hubs In Africa

Second Edition



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Second Edition



## ABOUT THE PUBLICATION

African tech hubs play an important role in building fledgling entrepreneurial ecosystems and helping start-ups, but they struggle to earn revenue and become financially sustainable.

This second edition has expanded its coverage, adding insights from East African hubs. The report, based on interviews with dozens of hubs across Africa, examines what hubs do, how they make an impact and what they can do to become viable. Learning from best practices on hub operations and business models should help founders think differently about how to achieve financial stability.

This report is also meant as a toolkit enabling governments and funders to invest successfully in tech entrepreneurship support infrastructure.

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## FOREWORD

Home-grown information and communications technology companies are supporting the digital transformation of the African continent.

New businesses across the continent are bringing disruptive business models and innovation 'made in Africa, for Africa'. The challenges on their path to growth are numerous, however, and many do not survive the start-up phase.

Research shows that tech hubs can improve the survival rate of start-ups. This publication contributes to the available research, focusing on how hubs can ensure their own viability in order to provide sustainable support to African entrepreneurs.

The publication, a second edition that enriches and expands upon the first report, is not a directory of successful hubs. After all, tech hubs are not automatically the answer, and might sometimes not even be the optimal approach. The International Trade Centre's own analysis has shown that tech hubs without clear value propositions to the ecosystem and the enabling conditions to support them, tend to struggle.

There is also some scepticism about whether high-potential/high-growth start-ups really need tech hubs. Some argue that the most promising businesses do not emerge from these types of institutions, while others see these hubs as contributing to a culture of innovation and digital entrepreneurship, especially in parts of the continent where the digital infrastructure is not as mature as in others.

This report shares insights into how hub practitioners view their ability to help start-ups, and the activities they might want to undertake, but cannot due to resource constraints. It also touches on how tech hubs themselves assess their impact in the support they provide to high-growth start-ups.

Furthermore, this report discusses whether supporting start-ups is financially viable. When the answer is yes, the report provides an overview of the best-performing services. Clearly, there is an expectation that hubs monetize their services to ensure their financial sustainability, and this report aims to outline and present strategies and methods that have proven successful.

Finally, the publication identifies gaps and opportunities for support from both government and the development community. This includes capacity building for tech hubs to fulfil their mission.

Following on the demonstrated interest in the First Edition from many of our partners in both the local African tech ecosystem and the greater global community, ITC has expanded upon and enriched the content of this report. We have expanded the geographical coverage to include East Africa, and more holistically represent the tech hub ecosystem throughout the African continent.

This publication is the result of a joint partnership between the International Trade Centre, Bond'innov, Afric'innov and the Impact Hub Network. I hope it will provide useful insights and advice to tech hub founders and managers, as well as to policymakers looking for efficient and effective ways to invest in trade and investment support institutions of a new kind, to the benefit of their entrepreneurial ecosystems.

The International Trade Centre has substantially increased its support to entrepreneurs and small and medium-sized enterprises in the technology sector, upon the request of our partners. This publication provides additional guidance for where we can make a difference.



Dorothy Tembo  
Executive Director a.i.  
International Trade Centre

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