



# Development of an **Operational Toolkit** for African ICT Start-Ups and Innovation Ecosystems

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## Foreword

The technology revolution is continuously redefining what people, countries, and communities can achieve. It has the potential to address disparities, manage climate disasters, change agricultural production, democratize world-class education and health care, and modernize public services. Within this framework, start-ups have emerged as “disruptive” economic players creating and shaping new industries and generating significant economic and societal impacts.

ICT startups innovation in Africa has sparked a substantial amount of attention. The continent's growth and development prospects are bright due to its fast growth, its youthful population, and the emerge of “African Unicorns” that attracted ground-breaking funds.

Accordingly, a variety of policy initiatives were introduced by African countries such as Tunisia, Senegal, Ghana with the aim of promoting the establishment, growth and impact of innovative start-ups.

However, designing such policies is a challenging task as it requires a good understanding of the processes by which innovative start-ups are launched, developed and create impact, as well as of the heterogeneous nature of the issues faced by different ICT start-up and innovation stakeholders.

In this toolkit, we lay the groundwork for government leaders and policymakers across Africa to define and carry out effective policy interventions to strengthen their respective ICT start-up and innovation ecosystems.

The document provides **practical guidance** and a clear and value-based framework in which to develop national pro-ICT start-ups and innovation policies adapted to the context and specificities of the African region. It draws on real country experiences, as well as recent policy research and analysis regarding ICT start-up and innovation development.

This toolkit intends **to provide a roadmap for developing coherent and integrated pro-ICT start-up and innovation policies through a participatory process**. It can be used as a stand-alone resource or can be accompanied by tailored assistance.

This toolkit is produced as a living and evolving resource to be enriched and adapted to new needs and changes in the national or continental contexts.

# Acknowledgments

The Smart Africa Secretariat would like to thank the contributions of the Republic of Tunisia and the Republic of Rwanda in their role as Champions of this initiative.

In addition, the Secretariat would like to acknowledge the invaluable support of the countries participating in the consultation workshops namely **Angola, Burkina Faso, Burundi, Chad, Djibouti, Egypt, Gabon, Ghana, Guinea, Kenya, Mali, Mauritania, Morocco, Niger, Rwanda, Senegal, Tunisia, Zambia and Zimbabwe.**

Finally, the Secretariat would like to thank the Technical Working Group members and other ICT start-up ecosystem stakeholders for their valuable contributions.

## Technical Working Group members



# Table of contents

**I**

**WHY AND HOW TO USE THIS TOOLKIT ?**

**II**

**ICT START-UP AND INNOVATION ECOSYSTEM AND THE ROLE OF GOVERNMENT**

**III**

**DESIGNING AND IMPLEMENTING PRO-ICT START-UP POLICIES : A Step-by-Step Guide**

**Phase 1: Assess your ecosystem**

**Phase 2: Design Pro-Startup and innovation policies**

**Phase 3: Implement**

**Phase 4: Evaluate and Iterate**

**IV**

**ADDRESSING THE BROADER REGULATORY CHALLENGES TO CREATE A BUSINESS  
ENABLING ENVIRONMENT**

**V**

**CONCLUSION**

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I

## **WHY AND HOW TO USE THIS TOOLKIT ?**

# 1. Purpose of the toolkit

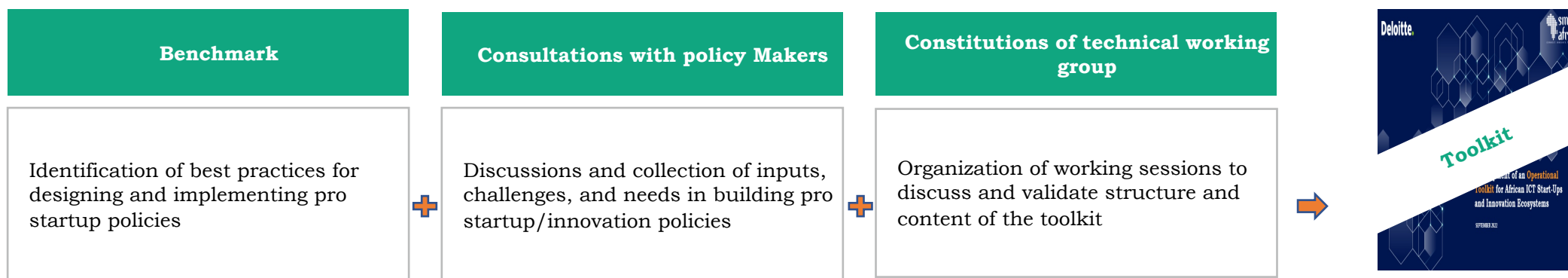
The Objective of the toolkit is to guide African policy makers in designing, implementing, and enforcing policies to stimulate their respective ICT start-up and innovation ecosystems. The toolkit will be in the form of a Step-by-Step Guide that will outline the key steps to successfully define, adopt, implement, and monitor pro ICT start-up policies – building on successful experiences in the region and beyond.

This toolkit will be Smart Africa’s main support tool for member States and beyond for the development of their pro-ICT startups policies and frameworks. The Secretariat will mobilize financial and technical assistance through partners in order to facilitate the implementation of this toolkit at a national level and support countries’ endeavors for the development of a favorable framework for the growth and development of their tech entrepreneurship and innovation ecosystems.

# 2. Audience

The toolkit targets African policy/decision-makers who are involved in formulating, implementing and evaluation ICT start-up and innovation policies: Government representatives, Ministries, Public agencies in charge of promoting ICT start-up and innovation at the national and regional levels, Politicians and Parliament representatives.

# 3. Approach of the elaboration of the toolkit

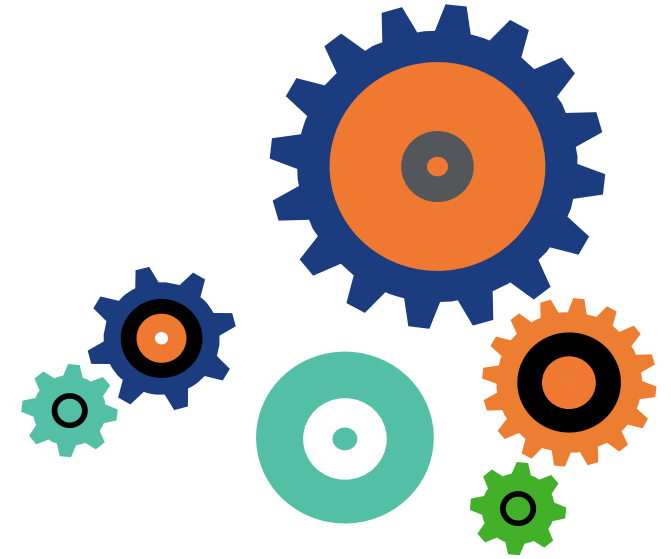


## 4. How to use this toolkit?

This toolkit offers a **combination of approaches, frameworks, tools, and use cases drawn from African countries experiences and international best practices**, with the aim of **providing a holistic, comprehensive, and practical view of each of the steps outlined for the design and implementation** of ICT start-up and innovation policies. This document **focuses on processes, methodologies and tools** that can be adapted to different national contexts.

The elements provided in the toolkit **are not rigid instructions**, rather they are intended to **equip African policy makers with the tools needed to design, implement, and review pro-ICT start-up and innovation policies** , while ensuring local ownership of the process.

This document builds on the existing and ongoing works and provide a **basis for a clear roadmap for the diagnosis, design, implementation and evaluation of public policies**.



## 5. Outline of the toolkit

*The toolkit encompasses three main sections organized as follows:*

### Section 1

**ICT start-up and innovation ecosystems in Africa and the role of government / policymakers**

This section is balanced between highlighting the importance of supporting ICT startup and innovation ecosystems in driving economic and social development in African countries and the challenges and limitations faced by these ecosystems. It also defines the role of government in addressing these challenges and its contribution in creating an enabling environment for startup/ innovation ecosystems.

### Section 2

**The path towards building pro-start-up policies: A step-by-step guide ( This section is the core part of the toolkit )**

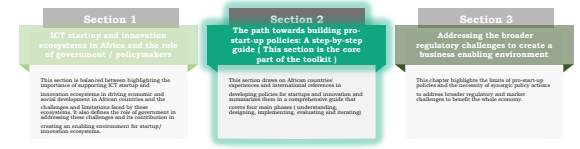
This section draws on African countries' experiences and international references in developing policies for startups and innovation and summarizes them in a comprehensive guide that covers four main phases ( understanding, designing, implementing, evaluating and iterating)

### Section 3

**Addressing the broader regulatory challenges to create a business enabling environment**





This chapter highlights the limits of pro-start-up policies and the necessity of synergic policy actions to address broader regulatory and market challenges to benefit the whole economy.



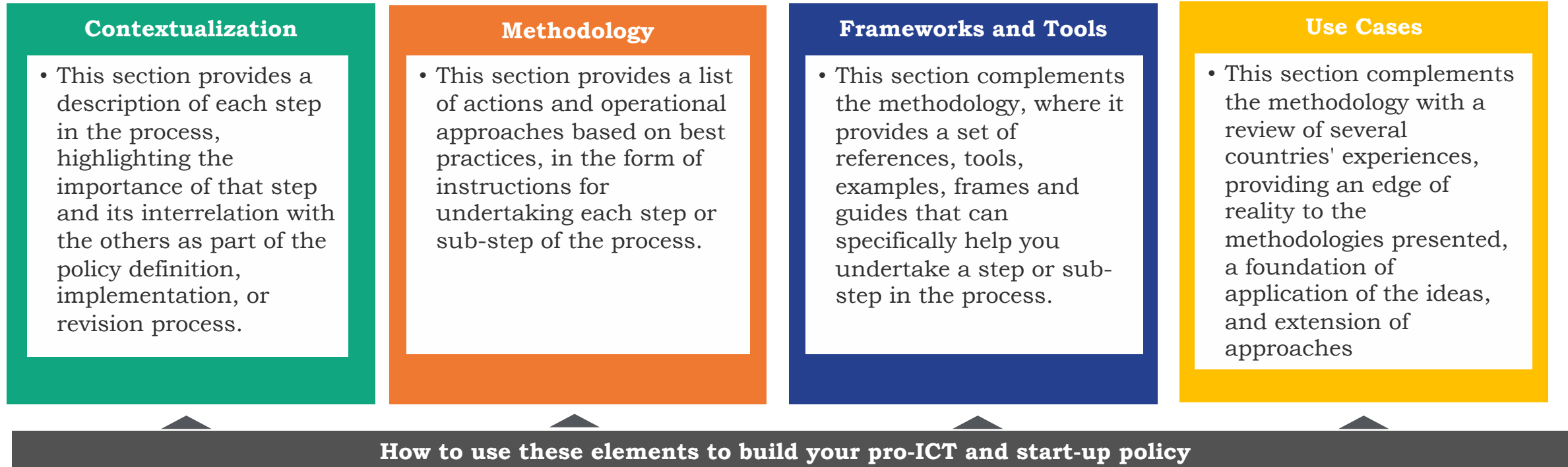


## 5. Outline of the toolkit

### Zoom on Section 2: Key learnings and main topics covered in the Step-by-Step Guide

Phases	Steps	Key Outcomes
 <b>Assess Your Ecosystem</b>	<ul style="list-style-type: none"> <li>Mapping Key stakeholders</li> <li>Assessing needs</li> <li>Defining gaps in the legal, regulatory, and fiscal framework</li> <li>Conducting a maturity assessment</li> </ul>	<ul style="list-style-type: none"> <li>Define the main actors of an ecosystem and their collaboration dynamics</li> <li>Understand the ecosystem challenges, needs, limitations and strengths</li> <li>Evaluate the existing regulatory framework against best practices and ecosystem needs</li> <li>Compares the status of an ecosystem against international benchmarks, comes as an external analysis in continuity to the need's assessment</li> </ul>
 <b>Design pro ICT startup/ innovation policies</b>	<ul style="list-style-type: none"> <li>Adopting a policy vision and compelling strategy</li> <li>Choosing the construction model that is adapted to your context</li> <li>Formulating the policy</li> <li>Engaging policy dialogue</li> </ul>	<ul style="list-style-type: none"> <li>Align visions to development plans and define strategies to achieve specific objectives and reach specific target group</li> <li>Defines the global approach to design a policy framework notably a startup act/ bill</li> <li>Define and prioritize areas of intervention and measures for each area</li> <li>Perform a public-private and public -public discussions and consultations contributing to policy definition, a Transversal step</li> </ul>
 <b>Implement</b>	<ul style="list-style-type: none"> <li>Enacting policies</li> <li>Defining the appropriate implementation model</li> <li>Communicating &amp; raising awareness:</li> <li>Build the capacity of public administrations involved in the process</li> </ul>	<ul style="list-style-type: none"> <li>Define the procedures towards getting the official approval for policy implementation</li> <li>Determine the operational responsibilities, involved stakeholders, leadership, resources, and procedures.</li> <li>Define communication objectives and channels for the adopted policy per audience category</li> <li>Define the capacity building response needed to help implementors in adopting new guidelines, procedures, and the right tools and methodologies to deliver on the new policy requirements</li> </ul>
 <b>Evaluate &amp; Iterate</b>	<ul style="list-style-type: none"> <li>Develop a solid monitoring and evaluation system</li> <li>Report and communicate on the outcomes and impacts to stakeholders</li> <li>Iterating and updating policies</li> </ul>	<ul style="list-style-type: none"> <li>Define the approach to monitor a policy and evaluation its outcomes and impacts</li> <li>Enhance the capacity to monitor the activities through adequate reporting and record keeping</li> <li>Review and update policies and strategies according to the development / evolution of your start-up ecosystem and needs</li> </ul>

## 6. Building blocks of the toolkit



- Identify the stage of policy development and begin the process at that level and then carry out the adequate methodology
- Monitor the process and adapt it to your context
- Review the actions your team has taken and compare them to the best practices to make any necessary improvements.

- Define the workload, best practices, timeline and resources needed to complete the various steps.
- Understand the cycle and interconnections of the policy development activities.
- Define a roadmap: the steps are not necessary rigid and chronologically ordered, different actions can happen at the same time and in different order



## II ICT START-UP AND INNOVATION ECOSYSTEM AND THE ROLE OF GOVERNMENT

# ICT start-up and innovation ecosystems: A driving force for economic growth, competitiveness, and job creation

## Key definitions

### Startup Persona

The literature defines a startup as a young company formed by entrepreneurial talent developing new innovations, in an identifiable and investable form with a goal of rapid growth based on a scalable business model for maximum impact. Globally there is no common definition of a startup, as each country has its own considerations, but there are common elements across several countries. When defining startup policies, several countries have opted to legally define the beneficiaries, in this case startups. The objective behind the legal definition of startups is to legitimize and make transparent the process of selecting the beneficiaries and the allocation of incentives.



- Age < 8 years
- workforce < 100
- Turnover < 15 MDT
- Capital Structure:: + 2/3 of capital held by natural persons
- Innovative tech-dimension,
- Scalability: Market + Team



- Age < 8 years
- Workforce < SME limits
- Turnover < SME limits
- Majority Ghanaian owned
- Innovative tech-based
- Job creating with high Growth potential

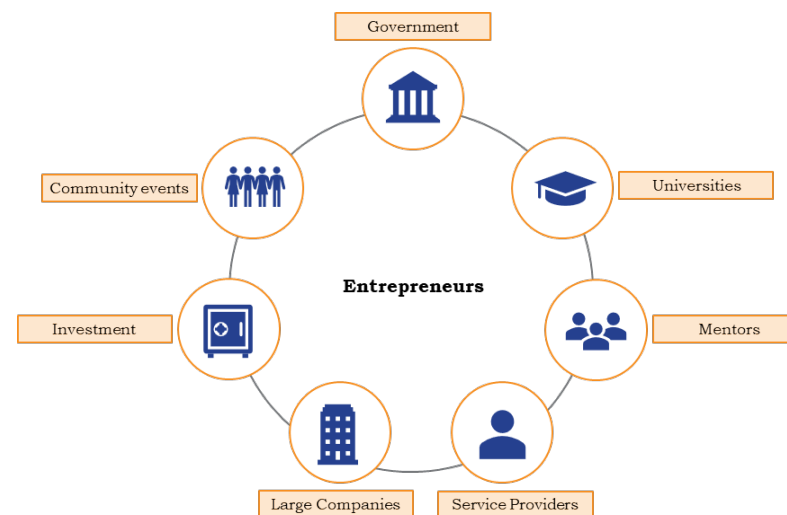


- Age < 5 years + Based in SA
- Turnover < R100 million
- R&D Focused
- Innovative tech-based
- Not Merge, split-up or branch
- No Profits Distributed

**Table 1: Startup persona**

### Definition of a startup ecosystem

A startup operates in a large startup ecosystem. According to literature a **startup ecosystem** is defined as an interdependent system of communities, organizations, resources, and service providers that support the growth of startups in a particular geographical area. It is a closed system in which every element is connected and mutually dependent



**Figure 2 : Start-up ecosystem**

**Source: Feedough.Com / The entrepreneurs guide**

# ICT start-up and innovation ecosystems: A driving force for economic growth, competitiveness, and job creation

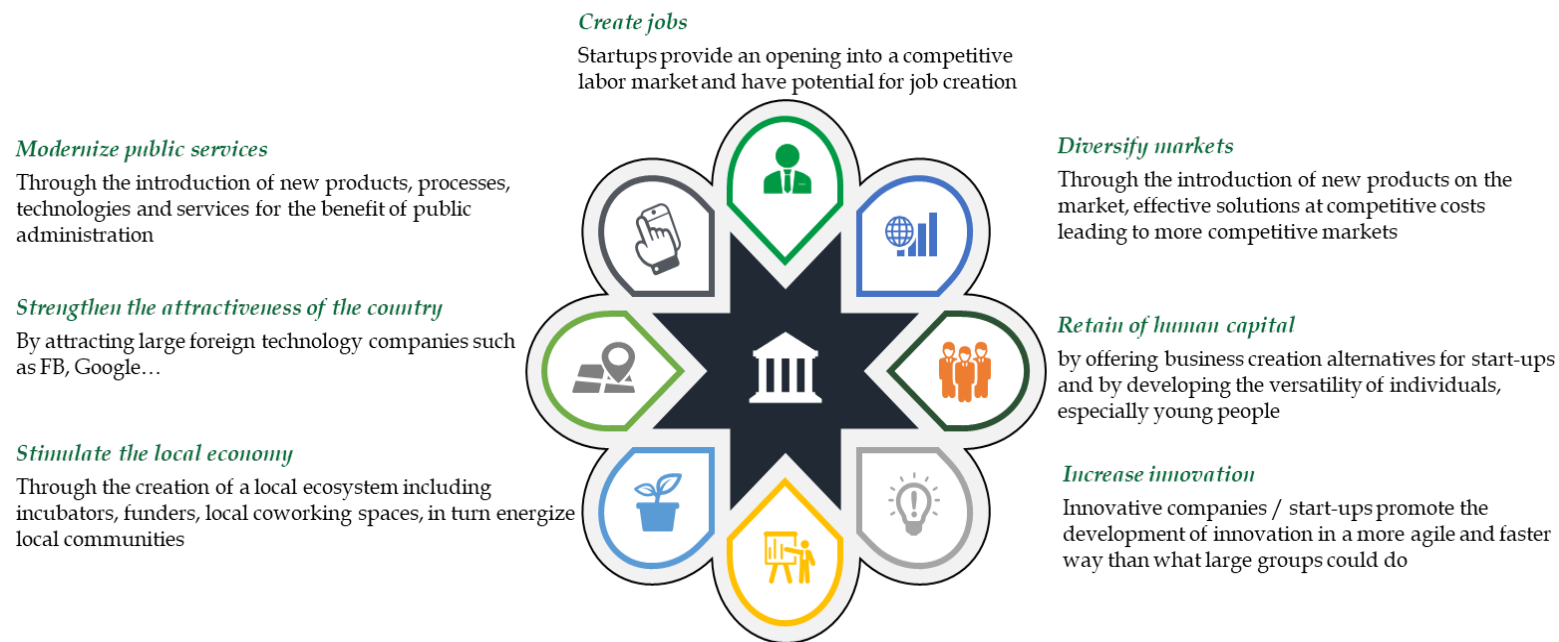
## *The opportunity for supporting start-up ecosystems in Africa*

According to the Kauffman Foundation, “Entrepreneurial ecosystems drive local economic vibrancy and national economic growth by building fertile environments for new and growing companies to thrive.”

This quote has been proven in the context of the African continent, where the startup and innovation ecosystem has advanced the continent's growth and development prospects by advocating and pushing for progressive legislation, providing infrastructure and resources for entrepreneurs, shifting the culture towards risk-taking and technological innovation, and, most importantly, creating communities and hubs, which increases productivity and efficiency, stimulates and enables innovation, and facilitates commercialization and new business creation.

Startup and innovation ecosystem also has contributed to the transformation of several strategic sectors such as Agriculture, Finance, Green economy etc.

Nevertheless, many ecosystems on the African continent that are challenging the status quo of entrepreneurship in economic development still face obstacles in their path. With weak infrastructure, low funding opportunities, talent shortage, market entry competition, lack of adequate legislation to meet the needs of the ecosystem, and regulatory barriers, these ecosystems are limited in reaching their full potential, and their work can only be valorized with the governmental and policymaker support.



**Figure 1 : Impact of start-ups on national economies**

**Source: Deloitte**







# Role of governments in supporting start-up ecosystems in Africa

## *Governmental and policy interventions*

Reaching the immense potential for innovation and ICT start-up development in Africa will require governments and policy makers to adopt a holistic approach that fits circumstances and needs of their respective ecosystems, articulate strategies and enact policies that will stimulate start-up activity, and strengthen ICT and innovation enablers, with the **adequate digital infrastructure, skills training, investments, public-private R&D partnerships, and enabling business environments.**

**Several mechanisms and instruments can be used to adopt startup and innovation-friendly policies depending on the country's context and policy-making process.** Startup Acts and Start-up Bills are popular methods undertaken by some governments to strengthen their start-up and innovation ecosystems, yet other mechanisms such as infusing pro-ICT and pro-Startups provisions into various existing legislation or establishing dedicated ministries can provide successful outcomes.

In order to operationalize and sustain the defined policies, governments should also build institutional capacity, establishing the right systems and agencies that will coordinate with the different public and private stakeholders to give pro-ICT and start-up policies and executive force.

Type of policy	Description	Use case
<b>Establishment of dedicated Institutions</b>	Creation or assignment of public institutions with startup and innovation affairs. As part of this, governments could define and strengthen these institutions with specific legislation to perform their activities. These institutions could be a Ministry, Agencies, Committees, etc....	 <b>Case 1:</b> Algeria established a ministry of knowledge economy and start-ups that was mandated to put in place 1) A regulatory framework that encourages innovation among youth 2) Funding mechanisms suited to startups 3) Support structures to nurture entrepreneurship in high-tech sectors.   <b>Case 2:</b> The Egyptian government have established the Small and Micro Enterprise Development Agency that works directly under the Prime minister office, highly supported by the government at the top level and reinforced within legislation.
<b>Defining special public programs</b>	To stimulate entrepreneurship or innovation, governments can design special program like incubation, accelerations programs with special provisions for startups, techno parks, startup funds, etc.	 <b>Case 1:</b> The Chilean Minister of Finance appointed a serial entrepreneur as a consultant in innovation and entrepreneurship mandated to propose innovative policies to stimulate the economy. Inspired by the "startup nation" concept, the designated consultant/ecosystem champion conceptualized and drafted the prototype program, which proposed non-traditional incentives to attract international entrepreneurs and their startups to Chile. The program was approved and its still rolling out its cohort.
<b>Startup Act or Bills</b>	These are codified measures in one text. They can come as new laws or/and consolidation of fragmented laws under one text.	 <b>Case 1:</b> The Senegalese startup act comes to consolidate the available provisions for startups which were described by their fragmentation under one legal text   <b>Case 2:</b> The Tunisian act emerged to respond to a legislative gap requiring the definition of new laws and provisions for the startups under one text.
<b>Amendments to Laws</b>	This approach consists of modifying or amending existing laws, introducing the desired complementary elements without the need to propose new legislations.	 <b>Case 1:</b> The South African Start-up policy is currently designed under a bottom-up consultation process, following a participatory approach led by the private sector, their approach is to utilize an existing law notably starting from the Small business Act SBA and introduce the desired components as an amendment to such a law.

**Table 2 : Types of policy interventions**

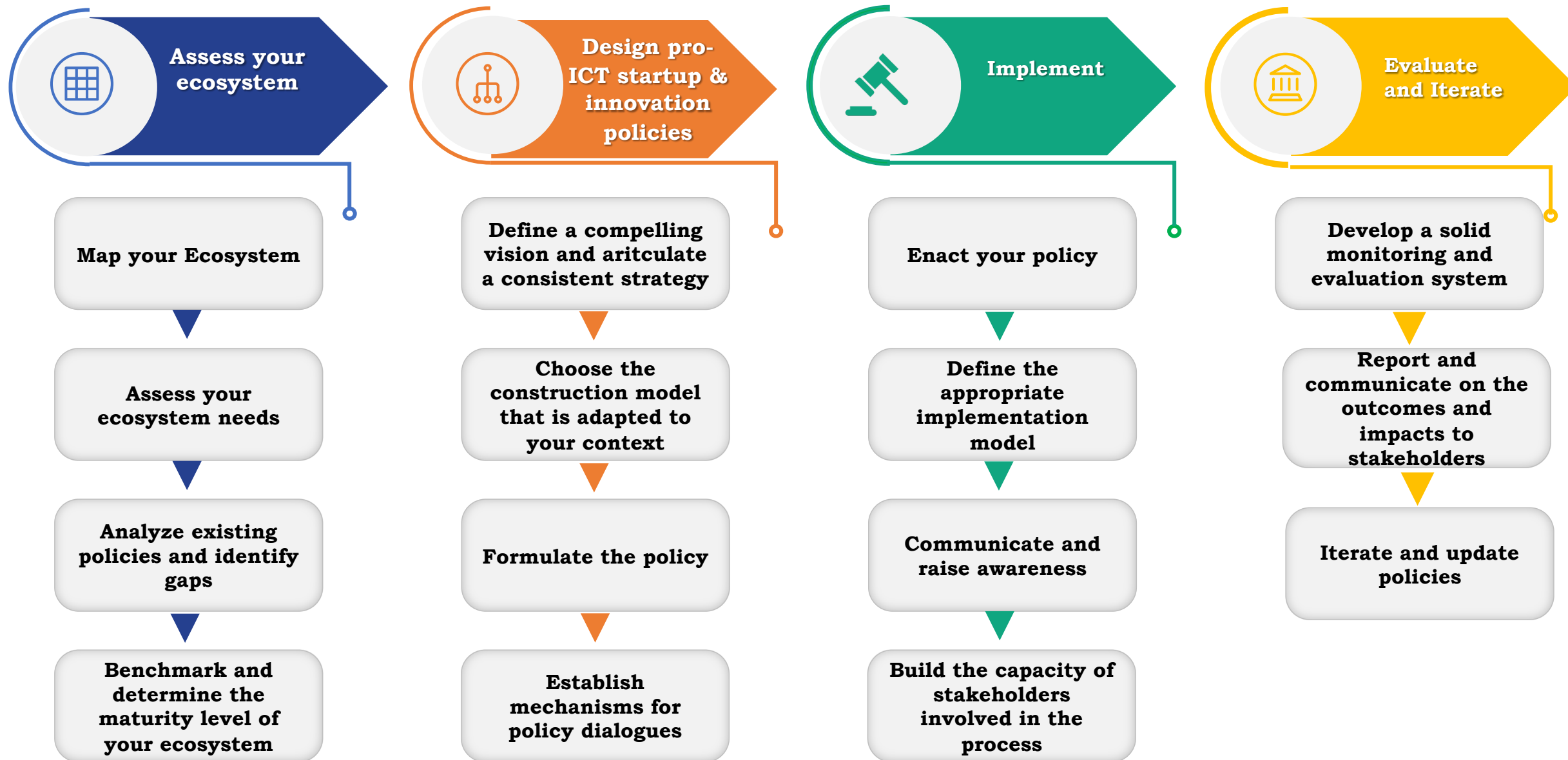


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### III

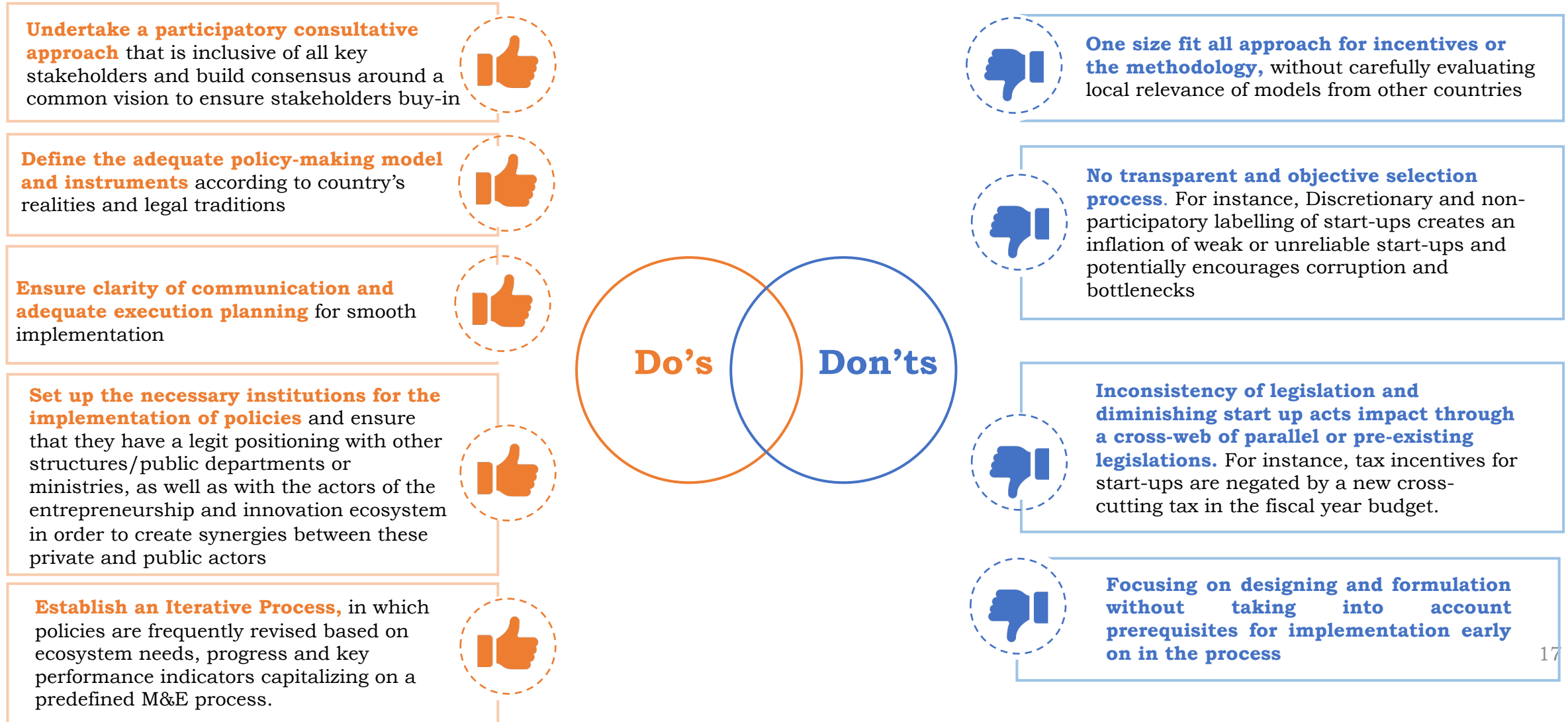
## **DESIGNING AND IMPLEMENTING PRO-START-UP POLICIES : A Step-by-Step Guide**

# The path towards building pro-IC start-up and innovation policies

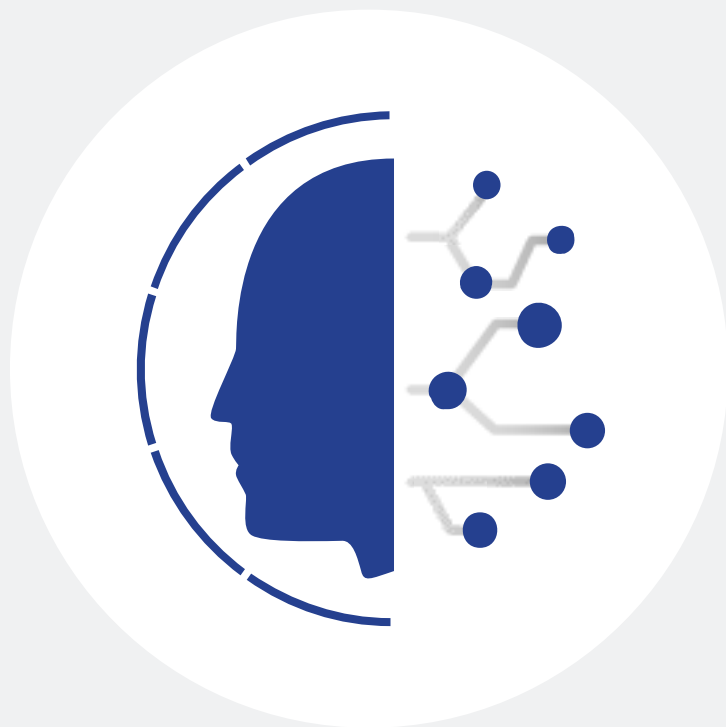




# Guiding principles for building pro-ICT start-up and innovation policies



## PHASE 1



**Assess your Ecosystem**

## PHASE 1



**This chapter presents in detail the techniques, processes, and tools for mapping your ecosystem, analyzing its requirements, and examining current regulations in order to build a clear vision and plan for the growth of ICT start-ups and ecosystems.**

### Key Takeaways

- **The evolution of innovation is ahead of policy**, so the first step in stimulating entrepreneurship is to map and measure the existing ecosystem. This analysis helps diagnose potential challenges and opportunities that can be addressed through specific interventions.
- **Mapping and maturity assessment tools must be adapted to the African context** to provide the required results. The diagnostic should take a multidimensional approach to measurement, taking into account all the different areas that can affect entrepreneurship in a region, and how key stakeholders interact with each other.
- **The needs of ecosystems in Africa differ according to their maturity**: different maturity levels lead to different needs and different needs require customized solutions and policies.
- **Benchmarking against international best practices and peers (countries with similar ecosystems and context) provides a basis for comparison and gap analysis** from both legislative and impact aspect that helps defining the potential remedial work and the opportunity cost.

## 1.1. Map your ecosystem



### Contextualization

Start-up and innovation ecosystem consists of a group of related organizations, such as start-ups, incubators and accelerators, corporations, investors, universities, and government, that work as a system to support innovation and venture creation. Ecosystem mapping consists in identifying these main actors and their collaboration dynamics to get an overview of the general landscape of this ecosystem and to identify trends. This mapping will also serve as a baseline from a more in-depth assessments of the ecosystem.

### Methodology



Identify the main building blocks of your start-up and innovation ecosystem building on existing international frameworks and models.

Categorization



Conduct desk research, direct interviews and focus groups to define and map the main stakeholders of the ecosystem for each category and establish a reference list of all key players. Data to be collected regarding stakeholders can be disaggregated by location, role and nature of intervention in the ecosystem, influence and impact.

Data construction and collection



A key element of ecosystem mapping is data visualization as it helps to transform data into usable, understandable and meaningful information about the start-up and innovation ecosystem. Depending on the context, data can be visualized by sector or domain, by actor category or by location.

Visualization

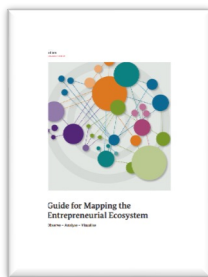
# 1.1. Map your ecosystem



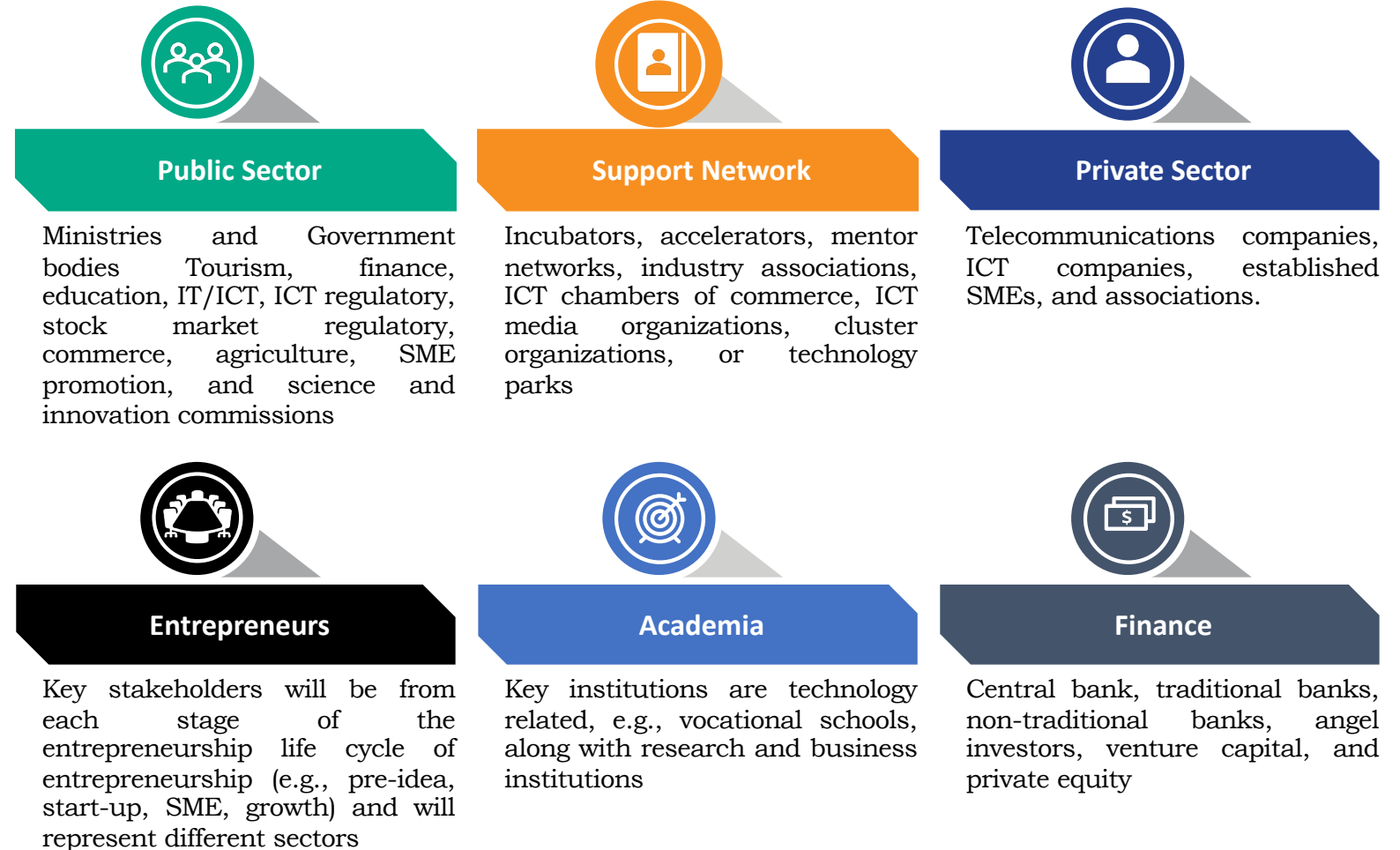
## Frameworks & Tools

GIZ guide to mapping entrepreneurial ecosystems: As part of Mapping the Ecosystem, the GIZ has produced a framework to guide governments in mapping their ecosystem which in return will enable the exploration of gaps and constraints and facilitates decisions on measures that are most relevant to improve the entrepreneurial environment in each context.

- This guide provides a five steps framework to map the entrepreneurial ecosystem. It offers a practical and pragmatic approach that can produce results in a short period of time – ideally within three to four weeks.
- In each step, the guide describes in detail what must be done and offers practical tools, such as a list of indicators, information on data sources and sample questions for structured interviews.



## Key Stakeholders to Map and Assess



## 1.2. Assess your ecosystem needs



### Contextualization

Once you have a complete picture of your ecosystem stakeholders and dynamics, you will be able to take necessary actions to understand their challenges, needs, limitations and strengths, which is crucial for identifying impactful and implementable policy solutions. This needs assessment phase should involve interactions and consultations with your ecosystem stakeholders.

### Methodology

1. **Define the scope** of your ecosystem needs and strengths assessment, the ecosystem representatives, and the areas of analysis (policy, market access, Finance, etc.).
2. **Define the assessment tool** to be used; in this step, it is recommended that you cross-reference all existing frameworks and have a tool that is better suited to your African context. Experience has also shown the importance of conducting both a quantitative and qualitative analysis to ensure rigorous findings.
  - a) Quantitative analysis: Disseminate a survey to stakeholders in your ecosystem
  - b) Qualitative analysis: Conduct focus groups and interviews with stakeholders to determine the needs of each category in your ecosystem. This will give you a complete picture and identify the opportunities and challenges within the innovation ecosystem.
3. **Needs Assessment** : Categorize the needs under specific axes, notably domains, or actors, and determine the magnitude, the importance level and the changeability of needs.

## 1.2. Assess your ecosystem needs



### Frameworks & Tools

Analysis	Tool	Approach	Example	Frameworks
Quantitative	Survey	<ul style="list-style-type: none"> <li>Requires administering a questionnaire to a large number of participants to achieve statistical significance.</li> <li>Useful for gathering people's perceptions on a specific topic</li> <li>Questions are closed-ended</li> <li>Time consuming and can be expensive</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">GEM's Adult Population Survey (APS)</a> , by Global Entrepreneurship monitor which carries out survey-based research on entrepreneurship and ecosystems around the world, on an annual basis</li> <li><a href="#">The World Bank's Enterprise Survey</a> is a key diagnostic tool of the private sector, measuring the day-to-day experiences of businesses, which can be adopted to the Entrepreneurial ecosystem</li> </ul>	See <a href="#">ANDE's Entrepreneurial Ecosystem Diagnostic Toolkit</a> for a detailed description of how to conduct an ecosystem diagnostic survey.
	Focus Group	<ul style="list-style-type: none"> <li>Involves bringing together a small group of people for a structured, moderated discussion to gather in-depth information.</li> <li>Useful for gathering qualitative information about people's opinions, beliefs, motivations, perceptions and needs on a specific topic.</li> <li>Questions should be open-ended to avoid yes/no answers.</li> <li>Saves time compared to conducting interviews or surveys</li> </ul>	<ul style="list-style-type: none"> <li>GIZ guide to mapping entrepreneurial ecosystems, provides a set of questions that helps in studying the business environment, the investment climate, the entrepreneurial culture and attitude, the ecosystem actors and other areas under a qualitative data collection approach</li> </ul>	For more information on how to conduct a focus group, see the <a href="#">Overseas Development Institute's toolkit</a> , which provides a set of references on conducting focus groups based on your objectives. This work is part of their "Research and Policy Development" activity.
	Semi – Structured Interviews	<ul style="list-style-type: none"> <li>Used to collect targeted, qualitative textual data</li> <li>Conducted using an open-ended questionnaire</li> </ul>		For more information on how to conduct a semi-structured interview check <a href="#">Oxfam Policy and Practice guide for conducting Semi- structured interviews</a>

**Table 3 : Needs Assessments methods and Tools**

## 1.2. Assess your ecosystem needs



### Frameworks & Tools

Frameworks	i4Policy Assessment Framework	<u>Babson College - The Babson Entrepreneurship Ecosystem Project (BEEP)</u>	GSM Association - Mobile for Development Network	Koltai and Company LLC - Six + Six Model	<u>Organization for Economic Co-operation and Development (OECD) - Entrepreneurship Measurement Framework</u>
Description	African Ecosystem framework that derives results from indicators captured from indices and reports. It also includes Benchmark, and consultation activities: interviews/focus groups on several domains.	An Entrepreneurship ecosystem assessment and deployment methodology composed of different approaches including workshops, consultations , etc.	Focuses primarily on the ICT innovation ecosystem and provides a framework for analyzing different stakeholder groups using a variety of research methods, including surveys, interviews and focus groups.	Designed to help quantitatively and qualitatively identify the strengths and weaknesses of an entrepreneurial ecosystem	Examines the factors that motivate or hinder entrepreneurship, provides indicators on entrepreneurial performance and the outcomes of entrepreneurship on the economy as a whole.
Policy / Regulation	X	X	X	X	X
Finance	X	X	X		X
Infrastructure	X	X	X		X
Markets	X	X	X		X
Human Capital	X	X	X	X	X
Support/ services/ connections	X	X	X	X	X
Culture	X	X	X	X	X
R&D/ Innovation	X	X	X		X
Macroeconomics	X				X

**Table 4 : Entrepreneurial Ecosystem Assessment Frameworks**



## 1.2. Assess your ecosystem needs



### Use case : Rwanda

- The need for a startup act came from the private sector, based on the results of an ecosystem assessment study conducted by the government, using the i4Policy framework, as seen in the previous slide and which included international benchmarks. Rwanda used this framework to identify challenges and solutions in the 7 key areas.
- Factors such as the country's poor performance in the global innovation index, the decline in the number of prospering startups, inadequate tax laws overburdening tech-enabled innovation businesses, and others, in a country who placed technology and innovation at the heart of efforts to boost the country's economic development and whose economy is heavily based on private sector production, rather than the export of natural resources, have contributed to the identification of measures needed to support the entrepreneurial and innovation ecosystem .
- The ecosystem assessment has helped in defining the different loop holes and their categorization under 7 main axes of intervention. The private sector then brought the request of a startup act to the government represented by the Ministry of ICT, and started the engagement of, the key stakeholders to work together.

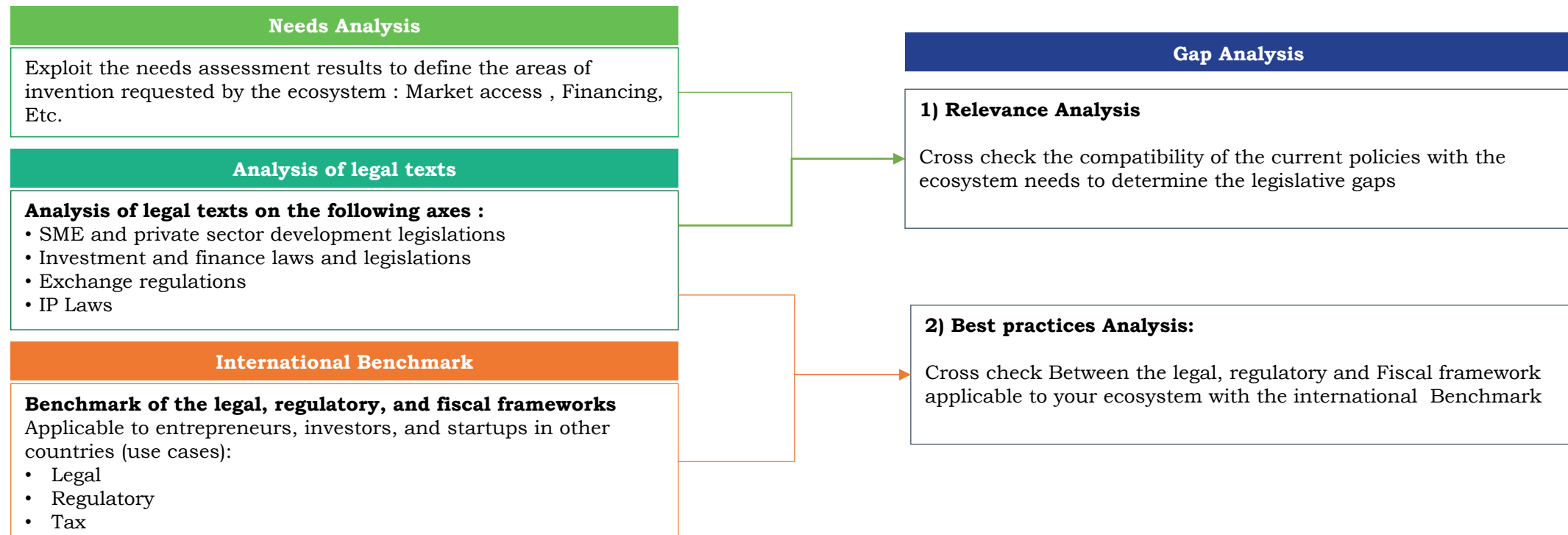
## 1.3. Analyze existing policies and identify gaps



### Contextualization

Before introducing a new policy, a very important step is to evaluate the existing regulatory framework that can be linked to your policy. This process will help analyze gaps between existing policies and ecosystem needs and identify contradictory legislations to avoid any potential policy conflicts. This step will also help determine levers for building the policy so that it aligns best with the country's context and specificities.

### Methodology



# 1.4. Benchmark and determine the maturity level of your ecosystem



## Contextualization

When developing policies for your ecosystem, one of the key points to consider is its maturity. The maturity assessment brings an external assessment layer to your ecosystem diagnosis that enables to compare several ecosystems rather than evaluate internal limitation within an ecosystem as within the needs assessment part. This step is very important for the implementation and update of policies and contribute to the achievement of the expected goals. Several African countries have reported that their innovation ecosystems are ahead of policy, which highlights the importance of conducting such a study to match policy to the maturity of the ecosystem.

## Methodology

### 1. Define the areas of assessment and scoring grid:

The areas/domains of assessment will stem from the ecosystem mapping exercise conducted previously. Each area/domain will include parameters and each parameter will be presented as a continuum or spectrum showing different stages of Maturity from Basic to Leading.

### 2. Conduct an international benchmark to determine the scoring grid and maturity levels:

Examine key factors of success pertaining to start-up and innovation development as well as best practices that could be relevant to your context. This benchmark will help determine a set of characteristics/requirements for each maturity level that are aligned with international standards.

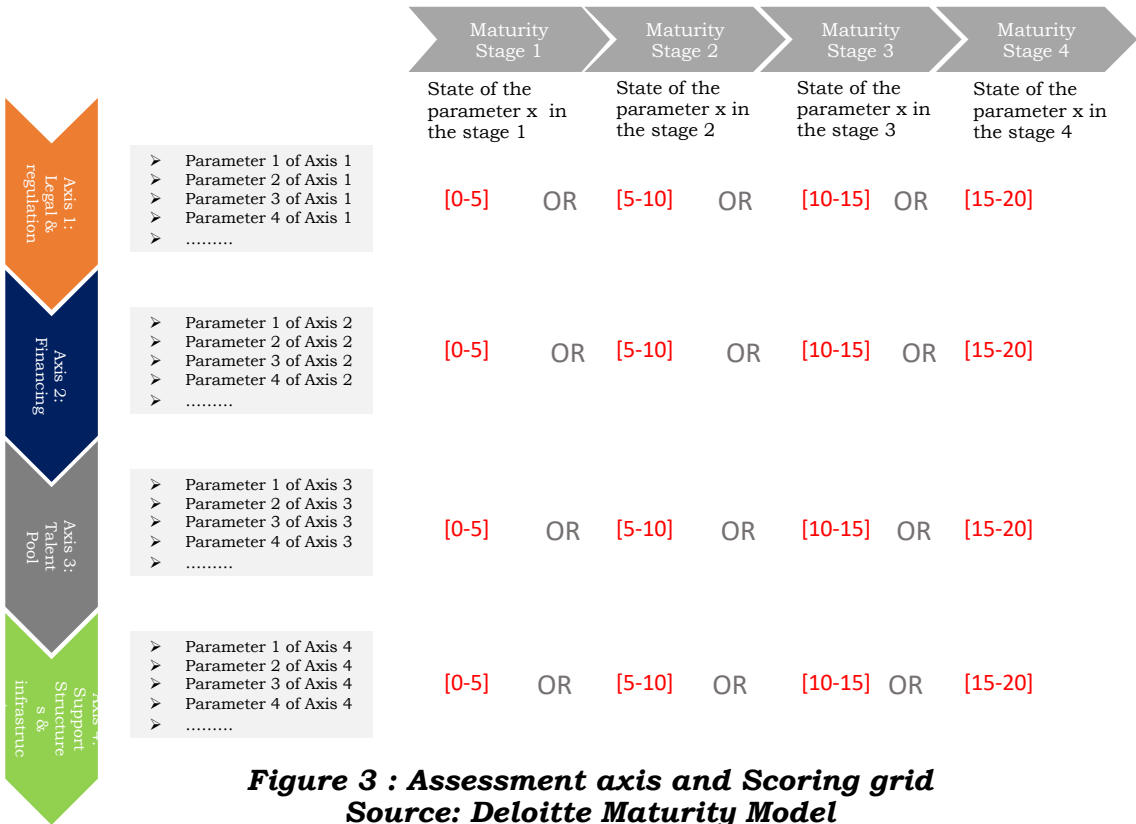


Figure 3 : Assessment axis and Scoring grid  
Source: Deloitte Maturity Model

## 1.4. Benchmark and determine the maturity level of your ecosystem



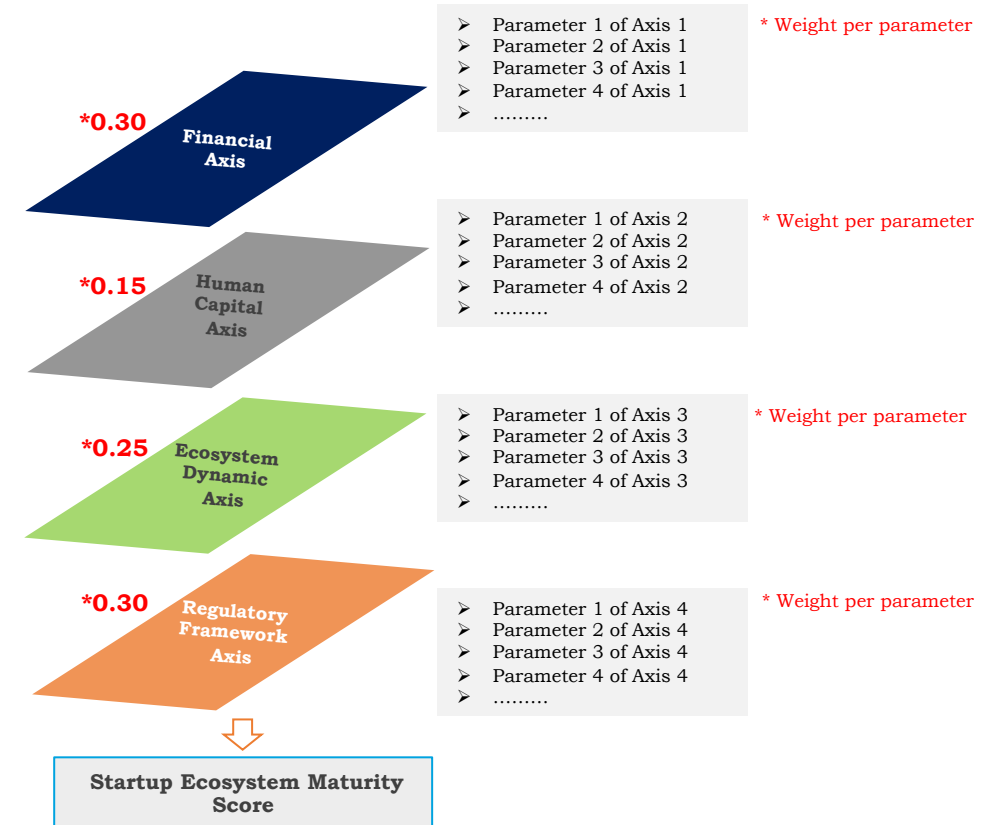
### Methodology

**3. Data Collection :** Conduct a literature review, studies and/or interviews to assign a numerical value to each parameter. Some parameters will directly reflect indicators in reports and indices, others will be the result of studies or interviews conducted by your team or public/private data already available through the various data sources you have access to.

### 4. Compilation

- The compilation part includes harmonizing the parameters' values under a comparable score falling within a specific range, then weighting the parameters by importance and calculating the weighted average score of each axis/domain.
- The overall score will also be the weighted average of each axis score, and it will be compared to a predetermined range to define the maturity of the entrepreneurial ecosystem. The predetermined range is the result of the benchmark where you are comparing your maturity to a bundle of selected countries.

*The easiest way you can use to measure and identify the maturity stage of an ecosystem, is using Global reports and indices such as the Global Entrepreneurship Index, Global Innovation Index, Startup Genome's Global Startup Ecosystem Report, and many others. These indexes usually aggregate several measurable indicators that collectively can describe the status of your ecosystem components and then enable you to define the required interventions per components.*



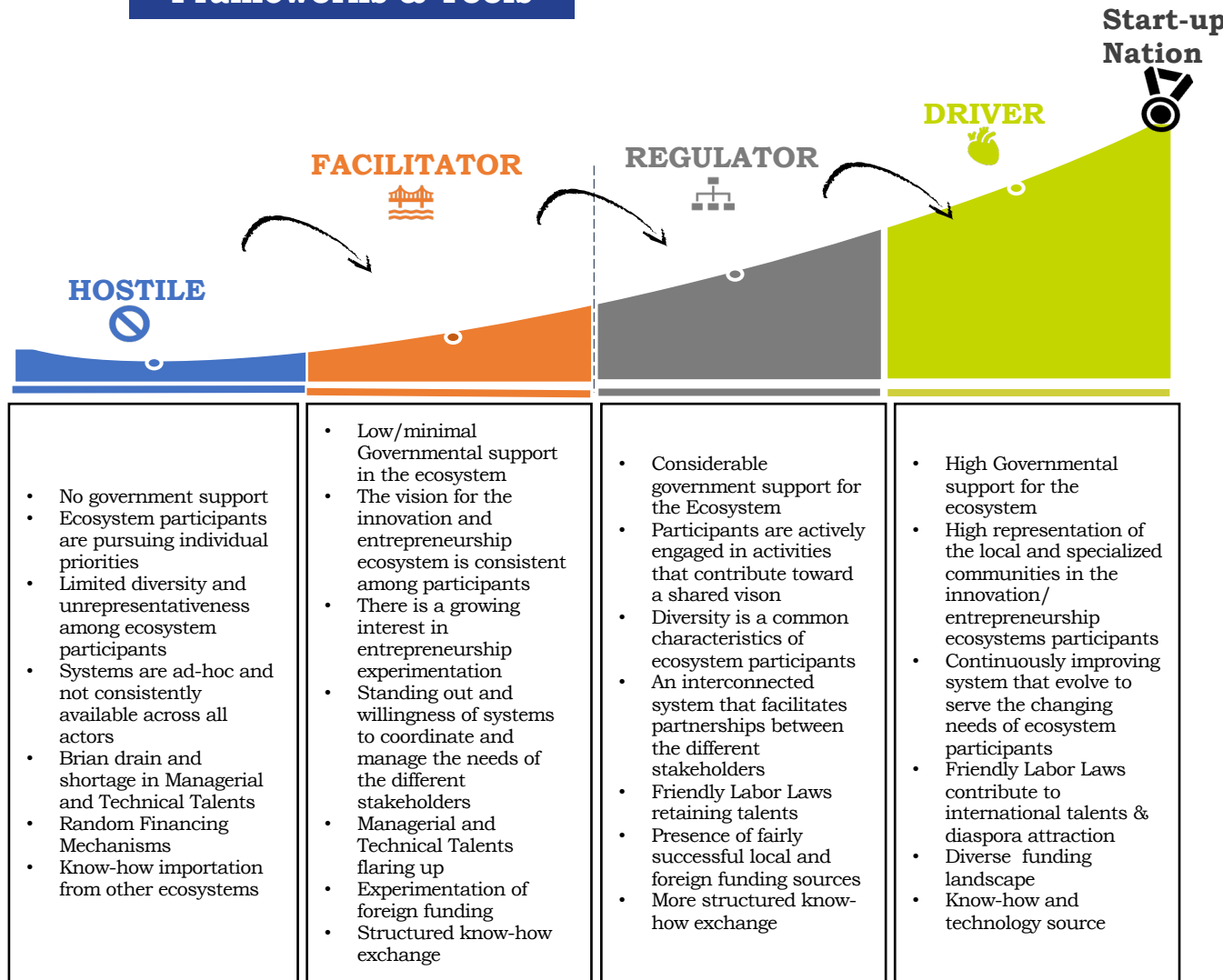
**Figure 4 : Overall Score Axis weighting methodology**

**Source: Deloitte Maturity Model**

## 1.4. Benchmark and determine the maturity level of your ecosystem



### Frameworks & Tools



**Figure 5 : Entrepreneurship and Innovation Maturity stages**  
Source: Deloitte Maturity Model



**Figure 6 : Maturity axes and parameters per each axes**

## PHASE 2



**Design Pro-  
Startup /  
innovation  
Policies**

## PHASE 2



**This chapter dives into the approaches, procedures, and tools required to build a compelling vision, articulate a consistent strategy, select an appropriate construction model for your setting, formulate your pro-startup policy, and engage policy dialogue.**

### Key Takeaways

- The legislation project is usually developed after **consultation and input from identified stakeholders** composed by both the **private and public sector, as well as knowledge organization and academia**.
- The challenges faced during the adoption of pro-startup and innovation policies is about **managing the different interest of the stakeholders and having a consensus**
- The adoption process must be **iterative and participatory to have legitimacy in the eyes of all stakeholders and ensure ownership**
- **The entrepreneurship strategies should align with overall development strategy** and other private sector development strategies and initiatives for easier adoption
- A key success factor is the ability to engage all parties in a **public-private dialogue**, and especially a **public-public dialogue**


## 2.1. Define a compelling vision and articulate a consistent strategy



### Contextualization

Policies that supports start-up and innovation ecosystems need to be integrated into an overall strategy with clear goals and objectives. These policies can fall under national strategies such as : Digital transformation strategy, innovation strategy, economic development and employments strategies. Several countries have initiated in parallel to their pro-ICT and start-up policies action plans to develop ICT infrastructure, improve levels of digital literacy, attract technology players, improve education and job creation ...

### Methodology

1. **Problem Analysis:** This diagnosis is recommended to build on the performed mapping and needs assessment studies and to be consensual, with an element of private and civic participation through the organization of expert and public consultations. It includes :
    - a) Articulate clear and concise problem statements, descriptions of specific issues or conditions to be addressed.
    - b) Analysis of the current state of the ecosystem (achievements, challenges and opportunities) based on lessons learned from previous reforms, relevant national strategies and development plans
  2. **Prioritization :** Aligning governmental plans to the intervention areas identified as priorities by the ecosystem stakeholders and matching aspirations to the feasibility of implementation.
  3. **Objectives setting:** Define start-up policy objectives or goals, through breaking down the vision and aspirations; into opportunity areas, strategic lines and initiatives, as well as projects, which are derived from the process that defines the level of ambition of change of the policy makers compared to the current state of affairs, in relation to the identified priorities to be addressed.
  4. **Indicator Setting :** Translate the objectives into targets and quantifiable indicators, which will serve as key performance indicators once the policy is adopted.
-  *It is important to note that monitoring and evaluation activity begins at the strategy definition phase, with this step being developed in more detail in the Monitoring and Evaluation section of this toolkit*
5. **Define Action plans and roadmaps,** that will explain how, and when, government activity and resources will achieve the output objectives of the policy, how they will ultimately contribute to the achievement of the development plans

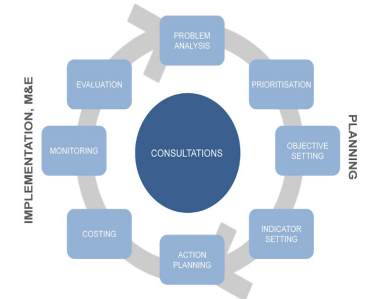


## 2.1. Define a compelling vision and articulate a consistent strategy



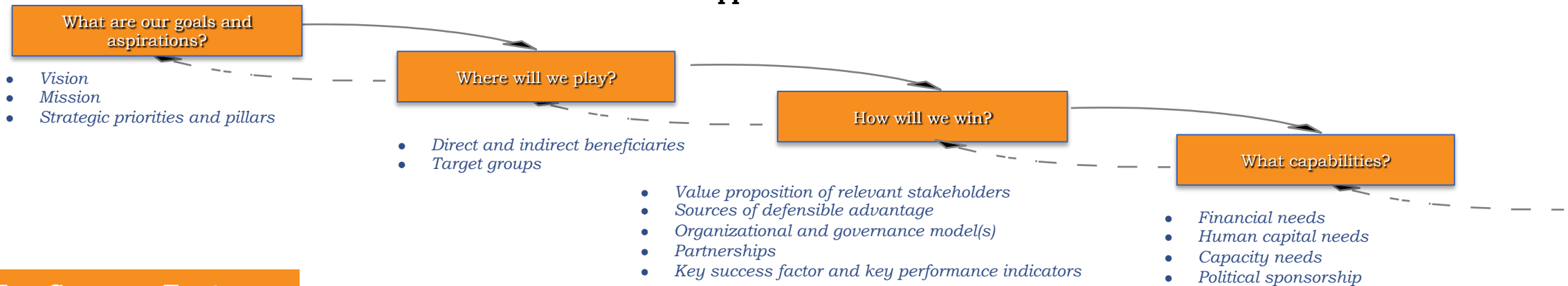
### Frameworks & Tools

- [The Organisation for Economic Cooperation and Development \(OECD\)](#) , has an iLibrary that contains thousands of documents to help policymakers, researchers, and analysts implement the best possible responses in their countries. In their library, they have presented several evidence-based policy approaches and experiences that help policymakers identify best practices for the development and implementation of policy plans.
- [Entrepreneurship Policy Framework and Implementation Guidance:](#) It is prepared by UNCTAD and aims to support developing country policymakers in the design of initiatives, measures and institutions to promote entrepreneurship. It identifies policy objectives and options in the form of recommended actions, and proposes checklists, case studies and good practices. It also offers a user guide on the formulation of a National Entrepreneurship Strategy.



**Figure 7:**  
**Entrepreneurship strategy**

### Deloitte Cascade Approach:



### Key Success Factors

- Define strategies to achieve specific objectives and reach specific target group, Develop and prioritize actions
- Align entrepreneurship strategies with overall development strategy and other private sector development strategies and initiatives
- Manage interaction and create policy synergies
- Set up an effective coordination mechanism and clarify mandates



## 2.1. Define a compelling vision and articulate a consistent strategy



### Use Case : Senegal

#### The Senegalese Startup Act Vision :

**“ Promote innovation & entrepreneurship in the national economy in accordance with the Senegal emergence plan and Positively impact the national economy in line with the Digital Senegal 2025 Strategy.”**

- The Senegalese Startup act vision invites the implementation of Senegal Emergence plan, which is a national plan that aims to make Senegal an emerging economy by 2035, as well as the Senegalese digital strategy 2025. The Startup act itself is a referral to the different strategic plans and legal texts that strengthens SMEs and are indispensable for start-ups .
- This special reference is an indication of the continuity, synergy and coherence of this policy with the national development plans set by the government which therefore gives it more governmental support and ownership.

## 2.1. Define a compelling vision and articulate a consistent strategy



### Use Case : Tunisia

- The national program Digital Tunisia 2020 was established in 2016, its vision is to use ICT as an important tool for socio-economic development and to make Tunisia an international digital reference.
- The program had 4 pillars representing the main objectives or development axes, each pillar included main strategies that had quantifiable expected results.
- As part of the implementation of this national program and the achievement of these results, the Startup Tunisia program was born. With the vision to make Tunisia a startup nation at the crossroads of the Mediterranean.
- The policy was expected to contribute to the creation of 5,000 to 20,000 high value-added jobs, to the improvement of the country's innovation indexes and to the creation of unicorns .
- The startup Tunisia program was the private sector initiative that has used existing national strategies to onboard the government represented by the ministry of ICT responsible for providing the necessary tools for the implementation of their Digital strategy

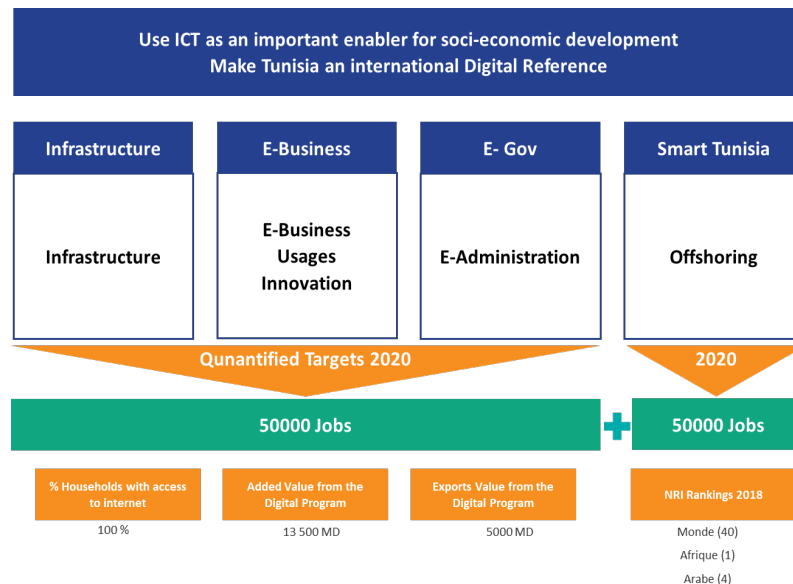


Figure 8: Digital Tunisia Strategy

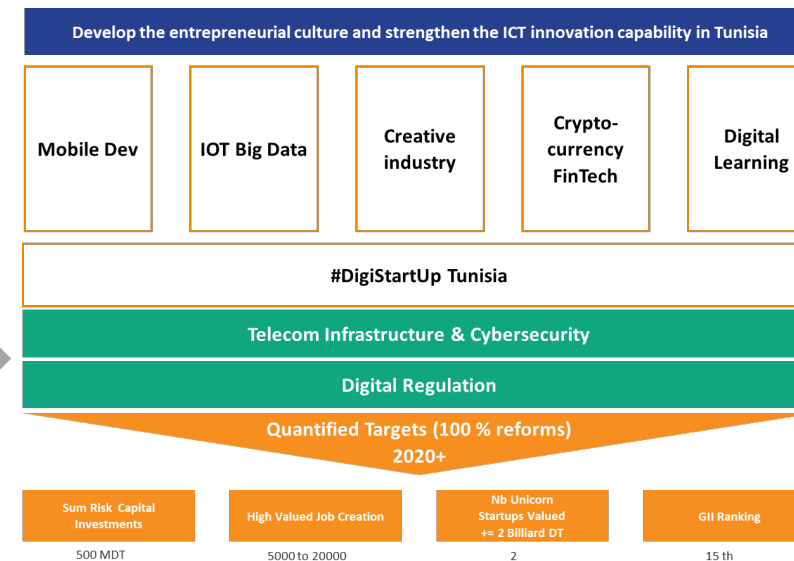


Figure 9 : Startup Tunisia component

## 2.1. Define a compelling vision and articulate a consistent strategy



### Use Case : Tunisia

#### Vision & Strategy : Startup Tunisia

Make Tunisia a country of startups at the crossroads of the Mediterranean, the MENA region and Africa.

#### Pillars

**Startup ACT** : Legal Framework encompassing a series of benefits & incentives for Entrepreneurs, Startups and Investors.

**Start-up INVEST**: based on 3 instruments: (i) a VC Fund of Funds, (ii) a Management Company Incubator, and (iii) a Guarantee Program.

**Start-up ECOSYSTEM**: framework for the startup ecosystem is divided into 3 missions: (i) Financing, (ii) Animation, and (iii) International connections

#### Enablers

**Talent Pool** : Initiatives focused on learning technological skills and courses of excellence

**Access to Markets** : Initiatives promoting access to local and international markets

**Innovation Clusters** : Establishment of Innovation themes & associated competitiveness clusters

**Anchoring / Inclusion** : Rethink the anchor point of innovation and startups as part of territorial inclusion

#### Objectives and Expected impacts

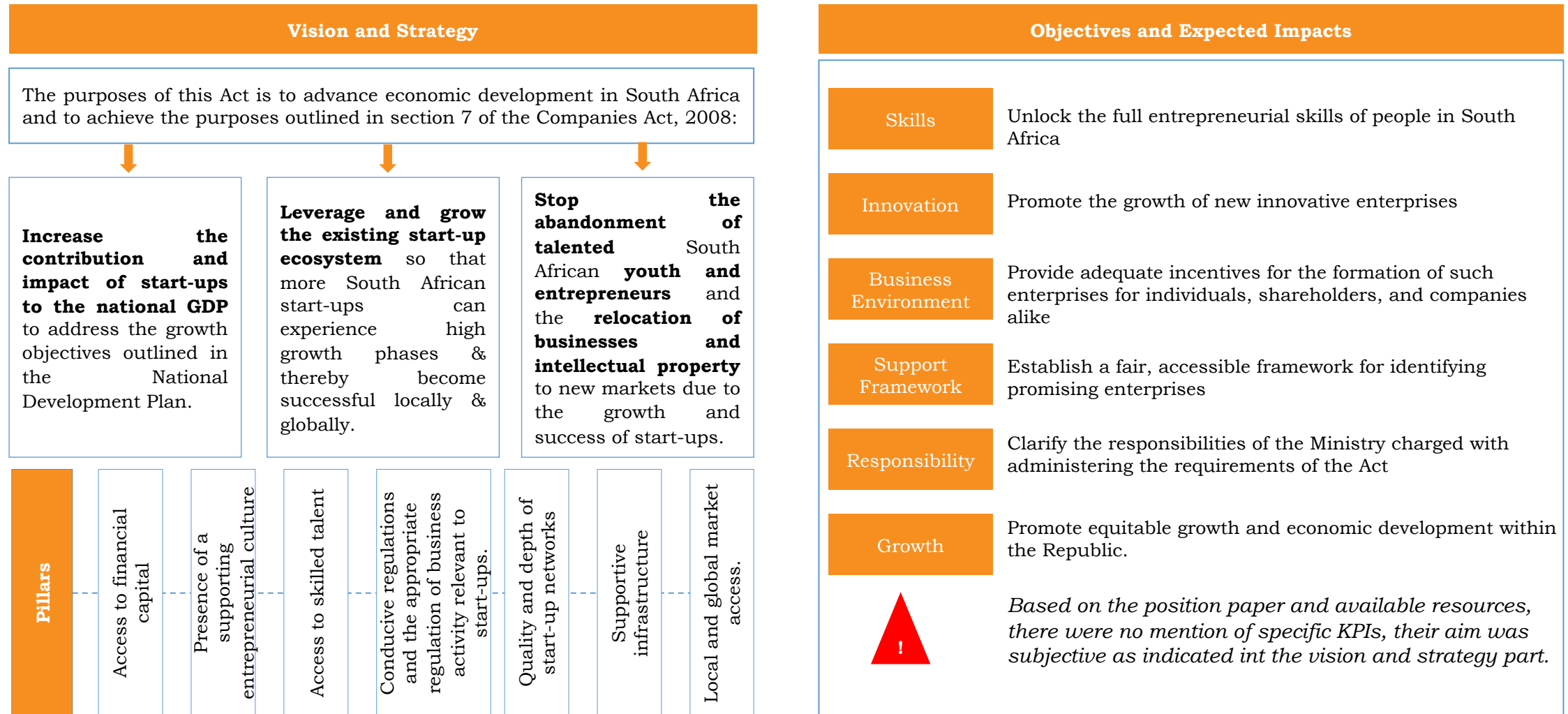
Objectives over the next 5 years ( starting from the adoption of the Start-up ACT)

- **1000** Labeled Startup
- **10000** Jobs Created
- **Average turnover ≈1 MDT per Startup in 5 years (≈300 k€).**
- **A Tunisian Unicorn startup** valued at more than 1 billion USD in 5 years.

## 2.1. Define a compelling vision and articulate a consistent strategy



### Use Case : South Africa



## 2.2 Choose the construction model that is adapted to your context



### Contextualization

Several approaches can be used to design the policy framework (bottom-up, top-down, hybrid). In several countries across Africa, the request for such policy has stemmed from the private sector and the ecosystem stakeholders. In other countries like Ghana, the policy was initiated jointly by the government and the private sector.

### Methodology

- 1. Confirm the need :** The need to introduce some policy reforms, is always built on results of studies that the government or the ecosystem has conducted through desktop research, interviews and focus groups activities and that is carried out to map the ecosystem stakeholders and understand the constraints experienced by it. The need can also be expressed by the private sector or the ecosystem itself
- 2. Building Coalition :** This phase include, listening and onboarding of stakeholders and advocates and the formation of the taskforce responsible for drafting the policies or defining the program and running the different ecosystem consultation activities. Having the political sponsorship from this phase from the higher governmental levels is very important.
- 3. Start the Consultations :** The legislation project is usually developed after consultation and input from identified stakeholders composed by both the private and public sector, as well as knowledge organization and academia. The Challenges faced during this phase is about managing the different interest of the stakeholders and providing the ownership of the legal text notably the startup bill or act to the startup and/or innovation ecosystem.
- 4. Drafting :** This process must be iterative and participatory to have legitimacy in the eyes of all stakeholders, taking the time necessary to ensure that the policy proposal is made in the right way and continually checking whether the proposed incentives are relevant to the ecosystem. As part of this process the taskforce will be presenting different versions before the final one and will consult several entities, and perform different analysis of the policy outcomes
- 5. Policy dialogue:** The success factor during the drafting phase is the ability to engage all parties in a public-private dialogue, and especially a public-public dialogue. The latter is very important to ensure synergy between all parties regarding the proposed incentives and their holistic aspect, and to present the appropriate framework for the implementation of the policy once approved.
- 6. Advocacy :** Once a final proposition is approved by the governmental structure championing, the legislative text should be voted on by the parliament and adopted by governmental officials, which often do not understand these mechanisms, or have different agendas, hence the importance of awareness and advocacy efforts on the adoption of pro-startup/innovation policies.
- 7. Voting and validation:** Whether it is a presidential validation and/or a parliament voting the text incentives can only be implemented once its legally adopted.

## 2.2. Choose the construction model that is adapted to your context



### Use Cases:



#### Chile: Initiative led by the government

The Chilean government has initiated the process toward the startup Chile program, the program was described with its **constant evolution**

##### Building on previous Reforms [From 1987 – 2010]

Implementation of a Series of changes over the years related to taxation, liquidity, financial innovation and the integration of capital markets in the venture capital industry in Chile

##### Public Appointment [Feb 2010]

The Minister of Finance appointed a Chilean serial entrepreneur as a consultant in innovation and entrepreneurship and asked him to propose innovative policies to stimulate the economy.

##### Drafting [Feb to March 2010]

Inspired by the "startup nation" concept, the designated consultant/ecosystem champion conceptualized and drafted the prototype program and presented it to the Minister of Finance in March 2010.

##### Program Adoption

The program proposed non-traditional incentives to attract international entrepreneurs and their startups to Chile. The program was approved by the ministry a pilot phase was launched.

##### Pilot Phase [Sep 2010]

During the pilot phase, SUP was criticized in the media, with objections from politicians and the business community, the ministry showed strong political will and defended the program until its results were proven.

##### Governmental Will

The political will through public announcements, dedicated funds and the creation of the DER has energized the ecosystem and prompted the manifesto towards a startup act.

##### Policy Hackathon [Aug 2018]

Representatives from the public and private sectors naming Hubs, organization, donors and governmental institutions were invited to a 2-day event to develop policies in a co-creation process

##### 1st Draft Submission [Aug 2018]

Hackathon, participants have submitted a first draft of the act to the public authorities

##### Submission of the final Text [July 2019]

Submission of the final Text to the presidency for validation



#### Senegal: Initiative led by the ecosystem

The Senegalese Start-up design was led by the private sector, using **ADDIS Process** by **i4policy** and following a Participatory approach between public and private stakeholders over a period of 19 months

##### Set up a Coalition [May-June 2018]

Capitalizing on their Innovation for policy approach, i4policy secretariat met with government ministries, innovation hubs and financial partners (World Bank) to set up a coalition that could work together in drafting a startup act.

##### Consultation Meetings [Aug 2018] before first draft submission

Consolidate the submitted Draft and broaden the coalition of institutional actors as well as the engagement of the Diaspora and ecosystem stakeholders in the consultations via, Meetings Chatbots and Townhall events

##### Consulting [Sep 2018] & Advocacy [Nov 2018]

Recruitment of a consultant to elaborate the start up act (phase 1: law; phase 2: application decree) and Lobbying efforts with government officials

##### Adoption [Dec-Jan 2020]

Text voted by National Assembly + Tax reforms were put in place as part of the code of finance for 2020



#### Ghana: Joint initiative

The Ghanaian bill is currently designed in a **collaborative and participatory manner** supported by i4Policy,

**The Taskforce** has conducted consultations with Tunisian Startup Act owners

##### Technical Working Committee [June 2020]

A technical working committee comprising the Private Sector and the Government setup to facilitate the bill's drafting by engaging all stakeholders.

##### First Draft of the Bill [Nov 2020]

The first draft of the bill was developed after the first stakeholder engagement. Stakeholders include The private Sector, Public Sector, Accademia, etc.

##### Tech Ecosystem Consultation / 3rd draft [May 2021]

The Ghanaian Tech Ecosystem is engaged. 2nd draft was validated, giving birth to the development of the 3rd draft.

##### Town Halls / 5th draft [Aug 2021]

Members of the public in the Ashanti Region and Western Region engaged. Final draft developed.



##### Policy Hackathons [2019]

Policy Hackathons throughout the country, also known as "25 days of WOW"

##### Stakeholder Engagement [Oct 2020]

The TWC started Consulting Stakeholders

##### 2nd Stakeholder Engagement / 2nd draft [Dec 2020]

Separate stakeholder meetings were held to validate the first draft and then produce the 2nd draft.

##### Targeted / Special Engagement / 4th draft [June-July 2021]

Selected Heads of Agencies and Industry leaders engaged. 4th draft developed.

##### Economic Analysis [Dec 2021]

Economic and Political Risk analyses are currently done on the final draft.



## 2.2. Choose the construction model that is adapted to your context



### Frameworks & Tools

- **Nigeria used** a "whole of society" approach to policy-making , **called “The Big Tent Approach”** involving a close collaboration between the Presidency, the Federal Ministry of Communications and Digital Economy, the Nigerian Export and Promotion Council and wider government bodies with almost **300 volunteers and private sector stakeholders** participating, notably venture capital investors policy advisors and media organizations .
- **ADDIS Process**, is a mechanism used for the development of the Startup Act in several African countries notably Senegal, is the i4policy inclusive co-creation approach known as **Innovation for policy Process**. The ADDIS Process is a cycle composed of **1) Agenda Setting , 2) Drafting and consultations**, and **3) Implementing**.

### Key Success Factors

The model for building startup and innovation-friendly policies should be a participatory, inclusive, iterative, and co-creative process, building on various best practices such as:

- Consultations to co-design the policy
- Government sponsorship to help drive the adoption process.
- Build ownership among public and private stakeholders and request support from international organizations and donors to facilitate the process.
- Appoint a working group or a taskforce of experts to lead and support construction of the policy
- The government should play the role of facilitator alongside the taskforce in the public-private dialogue as well as in the public-public dialogue, ensuring synergies and consistency.





## 2.2. Choose the construction model that is adapted to your context



### Use Case : Rwanda

- The approach followed was to first define a tech innovation policy that emerges as a comprehensive strategy and encompasses several provisions to promote startups and innovation. The vision was to support the creation and growth of more innovative companies that are developed in Rwanda. The startup act is part of the tech innovation policy which included other provisions notably, financial mechanisms, public procurement incentives, support programs, infrastructure, data and privacy protection measures, etc. The policy was developed based on several consultations and after its validation by the government, the working group started to define the legislation to be included in the startup act .
- The consultation and building took about 2 years as it was seen important to take the necessary and needed time to ensure that the text law is done the right way **building on the experiences of countries that have been successful in proposing such act.**
- Currently, the legislation is ready and is being reviewed by the private sector to ensure that the incentives it proposes are relevant to the ecosystem. Most of incentives proposed in the act are of fiscal or tax nature, and they also encompass the selectin criteria of the beneficiary startups.



### Use Case : Senegal

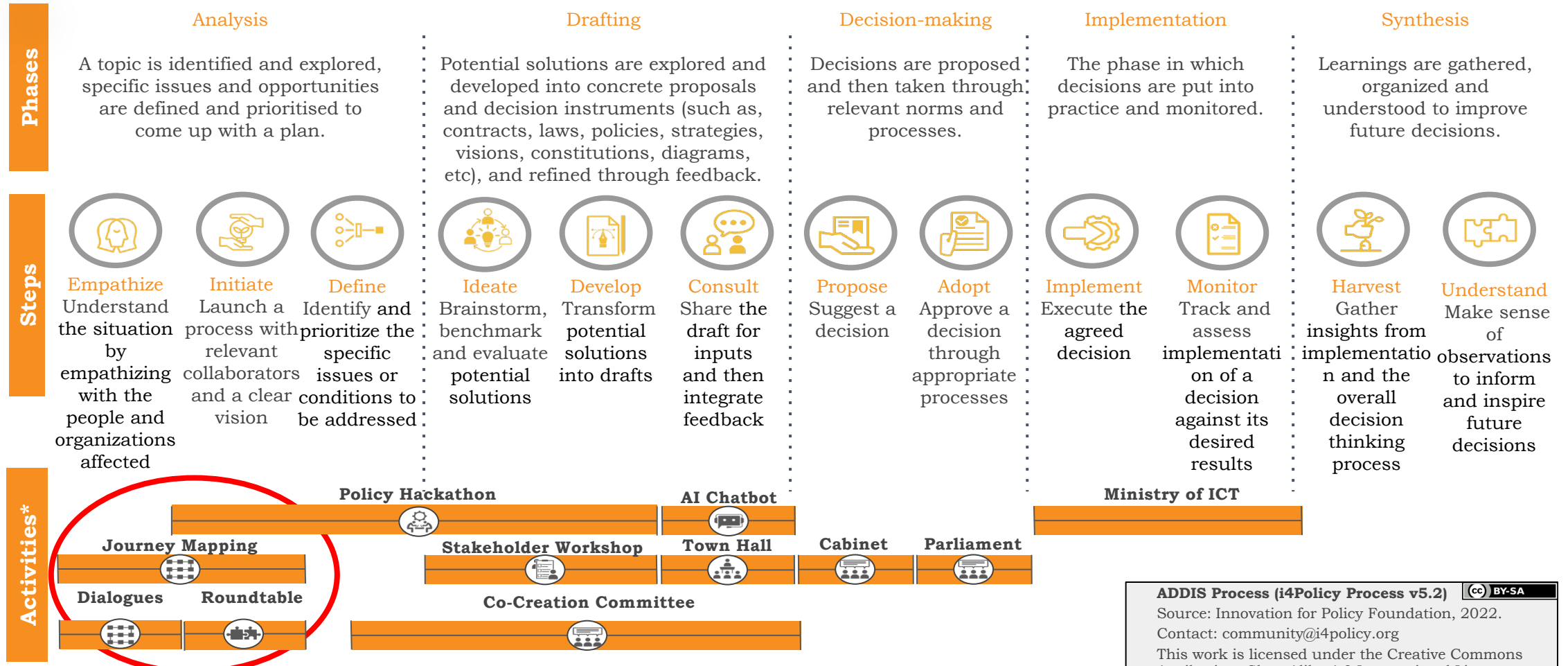
- Going from a vision to the development of a startup act, much thought was put in the agenda setting phase to identify a supported way forward. These activities fall under the “agenda setting”-phase as described in the ADDIS-process on the next slide
  - The first step in the process was to understand everyone’s needs and perspectives and collaboratively establish a baseline reform pathway. This “journey mapping” approach was modeled on the user-experience journey analysis applied in software development.
  - The second step involved convening a multistakeholder roundtable at a dedicated public event, triggering a discussion between the main public and private stakeholders involved in promoting entrepreneurship in Senegal. Together with the audience, they established a common vision and commitment to collaboratively develop a comprehensive legislation to support startups.
  - Multiple agenda-setting sessions followed, organized by the entrepreneurship community leaders, with the representatives of the Rapid Entrepreneurship Delegation (DER), the Ministry of Digital Economy, the Ministry of Finance, and the Taxation Office to refine the vision and develop a pathway for legislative reform.

**Source: Innovation for Policy Foundation, 2022, ADDIS Process & Senegal Case Study (i4Policy Process v5.2)**

## 2.2. Choose the construction model that is adapted to your context



### Use Case: Senegal



\* Activities to co-create the Senegal Startup Act

**ADDIS Process (i4Policy Process v5.2)** (cc) BY-SA  
 Source: Innovation for Policy Foundation, 2022.  
 Contact: [community@i4policy.org](mailto:community@i4policy.org)  
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## 2.3. Formulate your pro-start-up policy



### Contextualization

The purpose of the consultation and drafting sessions with ecosystem stakeholders is to identify and prioritize the type of measures and benefits that will be included in the policy framework. Given that the startup and innovation ecosystem enjoys the benefits of existing laws but have different economic models, scalability and agility, it is essential to understand what type of specific benefits under the startup law can be adopted to achieve the goals and aspirations of the ecosystem.

### Methodology

1. Build on the results of the ecosystem assessment to identify the main issues and needs of your target groups.
2. Identify a set of recommendations and measures that can address each identified need and/or issue. The measures should be formulated as concrete and operational solutions to be implemented.
3. Categorize the measures according to their type or domain (access to talents, access to finance...), the needs they address, and the actors involved in these measures (see table 5).
4. Prioritize the proposed measures based on a value/complexity matrix. When conducting this exercise, keep in mind your strategic goals and objectives. If all measures cannot be adopted, it is possible to postpone the adoption to a later version of the law.
5. Translate the technical measures into legal texts. It is necessary to assess in which types of legal texts each measure has to be inserted. Before translating the measure into a legal text, an assessment has to be done with existing laws in order to manage any potential risk of conflict.

## 2.3. Formulate your pro-start-up policy

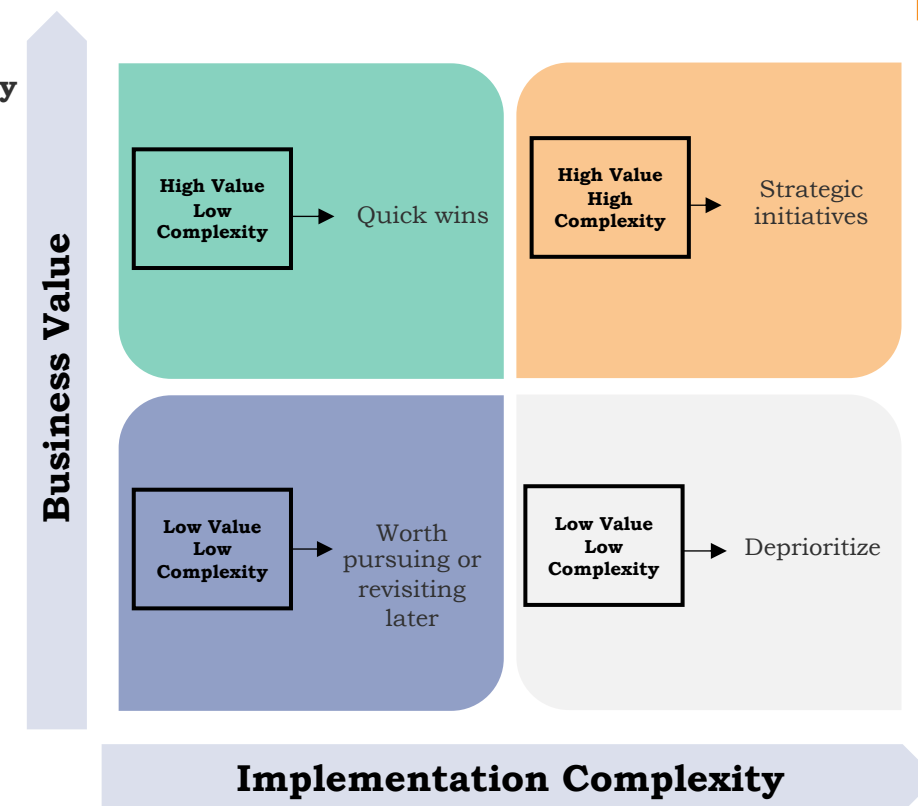


### Frameworks & Tools

By Topic	By Target Actor
<ul style="list-style-type: none"> <li>• <b>Access to markets:</b> at the local level, opportunities to access markets (through public procurement) at the regional or international level.</li> <li>• <b>Access to financing:</b> international transactions, fundraising, investments, etc.</li> <li>• <b>Access to Talents:</b> availability of skills, salaries, Social security expenses etc.</li> <li>• <b>Entrepreneurial culture :</b> the support infrastructure, the maturity of the support structures, the level of continuing education in entrepreneurship, initiatives to encourage entrepreneurship, etc.</li> <li>• <b>Access to technologies and innovation:</b> internet penetration, access to infrastructures, protection of innovation and intellectual property by patent, trademark, copyright, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Support Structures</li> <li>• Entrepreneurs</li> <li>• Investors</li> <li>• Startups</li> </ul>

**Table 5 : Measures Categorization**

### Value-Complexity Matrix



**Figure 10 : Value complexity Matrix**

Source: Deloitte

## 2.3. Formulate your pro-start-up policy



### Contextualization

Different policy frameworks and instruments can be used to introduce pro-ICT start-up and innovation policies . It can range from reviewing and adapting current legislations to establishing new legislations or specific laws dedicated to start-ups. Each country should use the policy instruments that are most adapted to its context ( existing regulations, legislative processes...)

### Methodology

Policy Framework	Approach Description	Use Cases	Key Considerations	
<b>Option 1 : Amendments Around Policy</b>	This approach consists of modifying or amending existing laws, introducing the desired complementary elements without the need to propose new legislations.	South Africa has a developed startup ecosystem and business legislation, but in the process of capitalizing on startups for economic development, they wanted to introduce the necessary legislation for this. Their approach was to use existing legislation, notably starting with the Small Business Act - SBA, and introduce the desired elements of the Start-up Act as an amendment to that act.	<ul style="list-style-type: none"> <li>• This approach speed up the process by reducing efforts needed for public consultation and stakeholders buy-in.</li> <li>• This approach is generally appropriate for countries with a developed business environment.</li> </ul>	<div>Defining a Policy framework for Policy governing institutions</div> <div>Defining new institutions or assigning existing ones the responsibility of implementing a policy or a program to support the startups and innovation ecosystem, requires the definition of a legal framework around these institutions. Several countries have defined new institutions and gave them legal credibility through policies to implement their programs, including the case of Portugal, where the government created SPAPPE, a nonprofit entity that functions as an intermediary between the government, entrepreneurs, incubators, and accelerators. This entity helps design and implement the Startup Portugal program.</div>
<b>Option 2 : Defining New Regulations</b>	The approach consists of responding to a legislative gap hindering the development of the startup and innovation ecosystem, through the proposition of a set of new legislations. These legislations usually come under a specific regulatory framework called a startup bill or act.	<p><b>Case 1:</b> For the Senegalese case, the available provisions and incentives were described by their fragmentation. A taskforce composed of both public and private sector participants went on to consolidate and reference all the existent legislations and frameworks under one text (a startup act).</p> <p><b>Case 2:</b> In Tunisia, although startups can benefit from the advantages of common law, and other programs, there was legislative gap in terms of measures to support the growth of startups and their uniqueness, which required the presentation of a complete set of new policies.</p>	<ul style="list-style-type: none"> <li>• Requires significant effort and could entail a lengthy development time.</li> <li>• Aims to introduce and harmonize the legal, regulatory, and fiscal frameworks needed to develop the entrepreneurship and innovation ecosystem.</li> <li>• Consolidating measures into one text is a symbolic signal or message about the importance of startups in the governmental vision.</li> </ul>	

**Table 6: Policy Framework Definition**

## 2.3. Formulate your pro-start-up policy



Vision	Construction Model	Main policy measures formulated	
Make Tunisia a country of startups at the crossroads of the Mediterranean, the MENA region and Africa	<ul style="list-style-type: none"><li>✓ Bottom-Up Approach</li><li>✓ Collaborative and participatory</li><li>✓ Small + Versatile Taskforce</li></ul>	Employment & social security programs  Salary grants to co-founders and Fiscal incentives for investors and startups  Financing mechanisms, facilitation of foreign exchange procedures for startups and guarantees for investors in startups.  Incentives to facilitate imports and customs control for start-ups and assistance in protecting intellectual property at national and international levels	<b>Talent Retention</b>  <b>Fiscal &amp; Business Support</b>  <b>Financial Support</b>  <b>International Market Access</b>
Promote creativity, innovation, & the use of new technologies in achieving a strong added value and competitiveness at the international, regional and national levels.	<ul style="list-style-type: none"><li>✓ Hybrid approach</li><li>✓ Collaborative and participatory</li></ul>	R&D Support, and Intellectual Property Protection Assistance  Visa Assistance to entrepreneurs to expand their business internationally  Definition of special funds for innovation and alternative financial instrument like crowdfunding  Financial allocations to cofounders and Tax exemption and fiscal incentives for startups and investors	<b>Promote Innovation</b>  <b>Support Internationalization</b>  <b>Financial Support</b>  <b>Fiscal and Business support</b>
Advance economic development in South Africa and achieve the purposes outlined in section 7 of the Companies Act, 2008	<ul style="list-style-type: none"><li>✓ Bottom-up Participatory Approach</li><li>✓ Amendments to Small Business Act to reduce time and efforts</li></ul>	More <b>flexible employment regimes</b> , financial guarantees for employees, and Automatic, Fast-Track and flexible <b>immigration process</b> for talents  Removal of Some Exchange Control Limitations  Special Tax dispensation for startups and investors in startups	<b>Talents Attraction and Retention</b>  <b>Financial Freedom and market access</b>  <b>Fiscal and Business support</b>
Turn Chile into Latin America's innovation & entrepreneurship hub by <b>attracting the world's best &amp; brightest entrepreneurs</b> to bootstrap their startups in Chile.	<ul style="list-style-type: none"><li>✓ Top-down,</li><li>✓ Iterative approach</li><li>✓ In the form of a startup accelerator</li></ul>	Soft-landing program: <b>1 year work visa</b> for the international startup's team and significant others  Equity free funding, and free contributions in kind  Trainings, Mentorship and <b>Networking Opportunities</b>	<b>Attract International Talents &amp; businesses</b>  <b>Financial Support</b>  <b>Business support</b>

Table 7 : From a vision to concrete measures



## 2.4. Establish mechanisms for policy dialogue



### Contextualization

When developing start-up and innovation-friendly policies, it is essential to establish a public-private dialogue and to obtain the support and input of ecosystem stakeholders throughout the process. Experience has shown that such dialogue ensures ownership of the policies adopted by the beneficiaries and contribute to the successful implementation of the policies. Establishing a public-public dialogue is no less important than public-private dialogue, the building model should be inclusive of all Governmental agencies and ministries and the approach isn't different from the public-private one.

### Methodology

	Category of policy Dialogue	Description	Key Considerations
1. Identify and engage the right players (decide who should participate and under what structure) and ensure a balanced number of public and private sector representatives on the Taskforce.			
2. Designate an entity that will help lead the process on behalf of the government and facilitate the dialogue and chose a mechanism or platform from which to operate. An example would be to create consultative forums or technical working groups.	Public-Private Dialogue	It is an essential element of the policy reform process that addresses the interests of key stakeholders and balances them with development plans. This dialogue unites participants around a common vision, promotes change, builds ownership, and facilitates communication and policy implementation.	<ul style="list-style-type: none"><li>The goal is to collect the need of the ecosystem and advocate to onboard the different stakeholders around a shared vision.</li></ul>
3. Set common goals and agree on expectations			
4. Set rules and agree on how to work together and establish a conflict resolution mechanism.			
5. Build ownership : manage partner engagement by holding them accountable, continually engaging with them and building their capacity to play their role.	Public-Public Dialogue	Helps in creating synergies between involved public stakeholders whether they are ministries, agencies or governmental institutions is necessary to ensure the adoption of all policies and ease implementation of the policy.	<ul style="list-style-type: none"><li>The goal is to provide a space for negotiation between the different public institutions, in order to agree upon a specific policy or mandate, which comes part of the operationalization of the procedures or measures to be adopted</li></ul>
6. Develop a communication and advocacy strategy: Given the dependence on certain authorities for legal, regulatory and fiscal measures, it is important to raise awareness and advocate with government officials, parliamentary representatives, etc.			

Table 8 : Difference between policy dialogues

## 2.4. Establish mechanisms for policy dialogue





Use Cases:	
Category	Use Case
Public-Private Dialogue	<div><p><b>Nigeria :</b> A Start-up Consultative Forum was set up to serve as an engagement and information sharing platform between startups and regulators. The forum is expected to among others, share information such as relevant incentives that apply to Start-ups and policy proposals relevant to the Nigerian startup ecosystem. The composition of this Council includes stakeholders and representatives registered on the Start-up Portal from labelled Start-ups, angel investors, incubation, accelerators and innovation hubs, and civil society organizations involved in the advancement of technology and innovation, etc. It is commendable that four representatives from this forum will be part of the members of the Council as a way of promoting inclusion of industry stakeholders in decision making.</p></div>
Public- Public Dialogue	<div><p><b>Senegal :</b> One of the lessons of the Senegalese experience with startup act is leaving the coordination and synergy between the different ministries and public agencies directly or indirectly concerned or involved in the implementation process of the proposed incentives to after the adoption. This approach has led to a lag in the implementation, where the governing process is not yet complete, although some public institutions have already implemented the incentives that fall within their responsibilities (e.g., tax incentives, procurement incentives, etc.).</p></div>

Table 9 : Policy Dialogue- Use Cases



## 2.4. Establish mechanisms for policy dialogue




Use Cases:	
Category	Use Case
Joint Dialogue with the public and private stakeholders	<p><b>Ghana</b> meant to build an inclusive policy engaging the public and private sectors . On the public sector side, they discussed with several agencies responsible for the business environment, like the food investment authority, registers of commerce and others . They worked on finding a way to bring all parties involved in the adoption process like the politicians, parliamentary representatives and the ones responsible for the implementation like public agencies and institutions as part of the policy formulation and to alter any barriers hindering the growth of the startups.</p>
	<p>On the private sector side, it was recognized as very important to bring them onboard, as they are the end beneficiaries. They were involved constantly through sectoral consultations, to know what they think about the different areas of intervention and measures the taskforce is suggesting.</p>
	<div><p>The Ghanaian Technical working group has also consulted with development agencies like GIZ, as these agencies have the experience with such activities. These Agencies helped in supplementing new ideas and improving the policies.</p></div>
	<p>A key consideration from the Ghanaian experience is that the policy should be linked to a ministry, whose activities are aligned with the activities of the startups, and which has adequate systems that are able to implement the respective policies.</p>
	<p><b>Role of the Ghanaian Taskforce which is named as the Technical Working Group (TWG)</b></p> <p>Ghana defined a clear mandate for the TWG activities, it was formed from different stakeholders of the ecosystem, structured as a small committee, each member plays a specific role, organizations like i4policy, the Ghana hub network which represents the private sector, government agencies like the National Entrepreneurship &amp; Innovation Program (NEIP), which was already implementing government policies for startups (financial interventions) are part of the committee and were brought on board to support with their experience in defining the pro-startup policy.</p>

Table 10 : Use Cases

## PHASE 3



**Implement**

## PHASE 3



**This chapter dives into the approaches, procedures, and tools required to enact your policy, define the appropriate implementation model, communicate and raise awareness, build the capacity of public administration involved in the process to ensure smooth implementation.**

### Key Takeaways

- **An action plan to implement the policy must be prepared**, addressing budgetary and programming requirements and allocating roles and responsibilities
- **Building the capacity of government officials and others responsible for policy implementation** leads to a better understanding of entrepreneurship and innovation policies and smoother implementation
- **Define and empowering a permanent structure/agency** to coordinate the implementation process is a best practice.
- **Having clear institutional anchorage** for the pro-start-up and innovation policy is key in order to successfully follow it through all the stages from diagnostic to implementation
- **Strong advocacy and communication is needed** to promote their political and public visibility, mobilize resources, and raise awareness and engage civil society.

## 3.1.Enact your policy



### Contextualization

Policy Enactment involves a set of steps and procedures for getting the “green light”—to implement a policy. Policies can be enacted at multiple organizational levels, from government agencies to elected legislators. Policy enactment can require multiple attempts and iterations and likely to be impacted by external factors such as political instability and government reshuffles.

### Methodology

- 1. Draft a legislation (whether it is a bill, a proposition to amend existing policies, or the creation of a dedicated structure e.g. ministry) that meets legal and technical requirement of your legislator:** You will want to include the need and purpose of your policy, eligibility as well as provisions and rules. The drafting process will include **technical and legal drafting as well as multi-stakeholder’s consultations**. The best practice is to assign a dedicated team or taskforce to conduct this activity. In Tunisia and in Ghana, a small and versatile taskforce composed of public and private members and directly attached to the Ministry in charge was mandated to coordinate the drafting process
- 2. Develop communication and advocacy initiatives to facilitate the adoption of the policy by decision makers:** It is essential to draw public attention to ICT start-up and innovation development issue and showcase the support of local ecosystem stakeholders, social partners, civil society organizations, and the media.
- 3. Define vehicles and processes guiding the implementation process :** After adoption, specific decrees and circulars are issued to guide the implementation process. These instruments clarify the conditions, procedures and deadlines for receiving incentives and benefits for beneficiaries and define the prerogatives and operating procedures of the governance agencies.

## 3.1.Enact your policy



### Use case : Rwanda

- The Rwandan working group prioritized defining the implementation and governance process prior to adoption to reduce any potential impediments to policy execution. As part of this process, they engaged and discussed with many institutions and departmental levels to develop the various agreements so that the measures could be implemented. Each measure has been or is being negotiated and coordinated with the respective authority.

### Key success factors

- **The efforts and time needed to enact the policy depends on several factors** notably the chosen policy instrument, the level of enactment (federal, state, or local) and the country's political landscape. Advocacy and communication can accelerate adoption.
- There is **no standard or predetermined legislative model** for pro-ICT start-up policies. Several types of legislations can be introduced depending on the country's existing policies and policy adoption process. While several african countries such as Tunisia, Senegal and Ghana opted for a specific law (Start-up Acts/Bills), other countries like Algeria enacted a decree establishing the responsibilities and organization of the Ministry of the knowledge economy and start-ups. Other countries simply adapted current regulations to respond to the ICT start-up needs



## 3.2. Define the appropriate implementation model



### Contextualization

Enactment alone doesn't ensure that a policy will be successful. Additional steps may be needed to implement the policy in a way that can increase the likelihood to achieve its intended outcomes. The policy implementation is a process that requires multistakeholder collaboration and organizational changes. The challenge is to devise governance systems and processes that can effectively operationalize the policy framework.

### Methodology

1. Identify resources that can help implement the policy. This will include necessary **funding, staffing, and infrastructure**.
2. Define who is involved and who does what during implementation and document the roles and responsibilities of those involved in the implementation of the policy
3. Define and empower an organization or an agency to lead and coordinate the implementation process. The organization concerned should coordinate with line ministries, local government, and other stakeholders and provide guidance to implement pro-start-up policies

**During implementation you want to determine :**



**The governance/structure that will lead the implementation of the policy:** Having clear institutional anchorage is one of the keys in order to successfully follow it through all the stages from diagnostic to implementation. Firstly, it gives visibility to the process, secondly, a clearly mandated leader structure/organization will be able to coordinate all the actors that should be involved in the process. The multiplicity of institutions and actors involved, and the diversity of their intervention levels puts at the forefront the need for strong coordination. Depending on the country context and on the country-level institutional set-up, the “champion” can either be the leading Ministry, a committee or a dedicated entity. A successful practice is to delegate authority specialized agencies that are in direct contact with beneficiaries. This allows a high degree of flexibility and simplifies the decision-making process. These entities may work under the supervision of the respective line ministry, e.g., the Ministry of ICT or the Ministry of Economy, and may be established as separate legal entities



**Roles and responsibilities of partners and stakeholders and opportunities and processes for collaboration:** In many cases, application and enforcement of laws can be slowed down due to poor coordination between public governance bodies. A good practice is to sign a memorandum of understanding between government institutions at the policy dialogue level, and then, once the policy is adopted, these same institutions should proceed to sign a binding agreement

## 3.2. Define the appropriate implementation model






Use Cases:		
	Governance	Implementation support tools
 Tunisia	<p><b>Smart Capital a “publicly owned-privately operating” company</b>/fund management company was created and is mandated by the Tunisian government for implementing the “Startup Tunisia” Strategy and is involved in sorting applications for obtaining the startup label, supporting and monitoring the proper implementation of the policy provision.</p> <p><b>The Start-up College, an independent committee</b> was mandated by the Head of Government to evaluate start-up labelling applications and advice on the innovative and scalable nature of candidate projects. The Start-up College is composed of entrepreneurship, innovation, and investment experts from public and private sectors. The Start-up College mandate is for three years (renewable)</p>	<p><b>An online portal that serves as a single point of contact between start-up ecosystem stakeholders</b> (start-ups, start-up support structures..) <b>and the implementation agency.</b></p> <p><b>Signature of MOUs and conventions</b> with other public administrations to ensure appropriate implementation</p>
 Nigeria	<p><b>A “National Council for Digital Innovation and Entrepreneurship”</b> composed of 13 members represented by top-level government was created to provides guidance for the startup act. The council proposes and revokes policies, manages the awarding of grants to support technology development. The Council is composed is presided by the President of the Republic and is composed of relevant Ministers as well as representatives of the start-up ecosystem.</p> <p><b>The National Council for Digital Innovation and Entrepreneurship</b> has a <i>Secretariat</i> which workout the operational part and has the following Functions: Manage the startup labeling process. Maintain the directory of startups, incubators and gas pedals. Support R&amp;D activities Support the growth and expansion of private incubators and accelerator program, Develop mechanisms for pre-incubation of entities, develop, establish and encourage technology hubs, technoparks and community business hubs, foster synergy and partnerships between or for startups and investors (angels, VCS, PE, private investors, development finance institutions), provide adequate infrastructure for research and development.</p>	<p><b>A Start-up Support and Engagement online portal to serve as a platform for Start-ups to register with the relevant Ministries, Departments and Agencies (MDAs)</b> the portal is a digital platform that allows start-ups easily interact with relevant public administrations and private institutions, and also facilitate the issuance of permits or license to labelled start-ups, amongst other listed functions.</p>
 Portugal	<p><b>Startup Portugal was created as a non-profit organization with the mission of promoting entrepreneurship and innovation in Portugal.</b> It operates as a mediator between government, entrepreneurs, incubators and accelerators, finding the needs of the ecosystem. Start-up Portugal help to design and implement public policies and private initiatives that continuously serve the community and attract the best foreign talent, founders and investors.</p>	<p>No specific tool aside from an informative website</p>

Table 11 : Constituents of policy implementation model -Use cases

### 3.3. Communicate & raise awareness



#### Contextualization

Successful pro-start-up policy implementation will need strong advocacy and good communication – to promote its visibility, mobilize resources, and to raise awareness and engagement from stakeholders. In the context of such policies, you will be dealing with a broad audience with various needs and interests. Tailoring communication is therefore key to ensure success.

#### Methodology

- **Identify the audience:** This identification will stem from the ecosystem assessment – providing a clear idea on the main stakeholders as well as their role and level of influence.
- **Determine the communication objectives and expected outcomes:** Communication objectives can range from drawing attention to the policy to promoting innovation and entrepreneurship at a country level.
- **Design the key messages for each audience, the communication channels and frequency:** Depending on the type of audience and the communication objectives, you will be able to define the channels, tools and frequency of your communication.

Target audience	Objective	Example of communication activities
Direct and indirect beneficiaries: <ul style="list-style-type: none"><li>- Start-ups Support Structures</li><li>- Investors</li></ul>	Improve understanding about the policy, its advantages and the conditions and process for benefiting from it  Increasing the number of beneficiaries	<ul style="list-style-type: none"><li>• Development of <b>an online portal to promote the legal framework</b></li><li>• Organization of online and on-site information sessions within the different communities of entrepreneurs and innovators to explain the legislation and how to benefit from it</li></ul>
Administrations and public structures involved	Ensuring continuous buy-in from public structures involved	<ul style="list-style-type: none"><li>• Sharing policy briefs, impact reports, onboarding sessions</li></ul>
Public / Media	Creating interest in the entrepreneurship and innovation promotion topic	<ul style="list-style-type: none"><li>• Sharing success stories about the start-up ecosystem</li><li>• Participating in events.</li></ul>

**Table 12 : Illustration of a communication plan**



### 3.3. Communicate & raise awareness



#### Use Cases:

##### Tunisia

- In Tunisia, an online portal dedicated to the Start-up Tunisia program was developed to:
  - Inform relevant stakeholders about the main pillars of the policy as well as its impacts
  - Guide start-ups and entrepreneurs in benefiting from the incentives and programs of the framework by clarifying the process and conditions for applying to the Start-up Label as well as the
  - Serve as a **one stop shop** for communication between the policy implementing agency and policy beneficiaries
- Smart Capital, the organization in charge of implementing the program “Start-up Tunisia” has organized in collaboration with start-up support structures and universities across the country a series of information sessions across the country to present the several incentives and programs that fall under the policy as well as the conditions to benefit from the policy provisions.

##### Nigeria

- The Nigerian government is deploying intensive communication efforts around the Nigeria Start-up Bill notably by :
  - Producing and disseminating a series of animated explainer videos untitled “Nigeria Start-up Bill and You” to communicate about the policy measures and incentives, approach, and how to benefit from the measures
  - Organizing the “NSB Learning series”, a series of events, seminars and workshops to raise awareness about key topics related to innovation and start-up development



**Figure 11 : Nigeria Start-up Bill communication video Series**

**Source : Nigeria Startup Bill**

### 3.4. Build the capacity of public administrations involved in the process to ensure smooth implementation



#### Contextualization

Pro-start-up policies stakeholders will need capacity building to be equipped with guidelines, new procedures, and the right tools and methodologies to deliver on the new policy requirements. This is important not just for the policy implementing agency, but for other central, regional and provincial stakeholders such as ministry of finance, education and employment, central banks, or chambers of commerce who have not previously seen start-up support as part of their mandate and may not be familiar with the topic. The capacity building program should include all the necessary technical skills to ensure effective implementation.

#### Methodology

1. **Identify the structures** that are involved directly or indirectly in the implementation of your policy and **assess their capacities and skills**
2. **Develop tailored capacity building responses and materials:** The capacity building program should be tailored for different groups and cover a range of policy areas depending on the roles and level of intervention of each structure. This can include onboarding sessions, collective trainings and workshops and address key elements as the implementation framework, coordination, financing policy implementation and monitoring and evaluation. A best practice is to design materials collaboratively with relevant stakeholders. **Areas to cover can include** ICT, entrepreneurship and innovation concepts, design thinking/Human-centered design, International best practices in implementing pro-start-up policies, collaborative leadership and partnership development, communication and advocacy ...
3. **Evaluate the effectiveness of your capacity building** based on changes in the implementing institutions performance in the pilot. Evaluations are based on changes in performance based around the four main issues: institutional arrangements, leadership, knowledge, and accountability.

*A best practice is to pilot the program with a test group for a selected time period. This will enable feedback collection and smoke-test the capabilities in real-world scenarios. This step is an opportunity to test assumptions, evaluate the feasibility, and gain valuable insights that will either help improve the governance model, especially if their will be a portal for communication between the beneficiaries herein the startup and the government.*

#### Frameworks & Tools

The model suggested is inspired from the experiences of governments in the implementation of their policies as well as from the UNDP approach for Capacity Building [“Capacity Building - The UNDP Approach \(gdrc.org\)”](https://www.gdrc.org/publications/capacity-building-the-undp-approach), the approach focuses on building capacity on an institutional level and offers a 5-step process for systematic capacity building

## PHASE 4



**Monitor, review,  
and enforce**

## PHASE 4



**This chapter presents the key steps in monitoring, reviewing and updating pro-startup policies so that they continue responding to the evolving needs of the stakeholders.**

### Key Takeaways

- A monitoring and evaluation framework **ensures the successful implementation of policies and helps determine their relevance, effectiveness, efficiency, impact, and sustainability.**
- **To keep policies in step with technological and market advances**, it is important to establish an iterative process, in which policies are frequently revised based on ecosystem needs and key performance indicators.
- **Starting with a pilot phase** at a limited scale can facilitate policy review and adjustments

## 4.1. Develop a solid monitoring and evaluation system



### Contextualization

Monitoring and evaluation is an integral component of the policy building process and examines if the latter meets its objectives and if it should be extended, adjusted or discontinued. Setting a solid and consistent framework right from the beginning will lay foundations for relevant and effective data collection and evaluation.

### Methodology

Basis for comparison	Monitoring	Evaluation
<b>Meaning</b>	Monitoring refers to a routine process, that examines the activities and progress of the project and identifies bottlenecks during the process.	Evaluation is a sporadic activity that is used to draw conclusion regarding the relevance and effectiveness of the project or program.
<b>Characteristics</b>	Related to observation, short-term, focuses on improving efficiency and	Related to judgment, long-term, focuses on improving effectiveness
<b>Responsible party</b>	Conducted by internal party notably the policy implementing entity or agency	Usually conducted by an external /independent party
<b>Steps to create a monitoring and evaluation system</b>	<ul style="list-style-type: none"> <li>▪ <b>Define key performance indicators</b> on which you want to achieve change throughout a defined timespan : Indicators defined should be Specific, Measurable, Relevant, and Time-Bound. <i>The type of indicators that can be defined in regards with pro-start-up policies can include # of new start-ups created # of start-up support structures created # of jobs created by start-ups # of patents # of unicorns ...</i></li> <li>▪ <b>Collect and verify data</b> Data collection can be done through several ways from quantitative methods such as online surveys and economic analyses to qualitative methods such as to interviews and focus groups. During this step, it is important to identify data sources, frequency of data collection and specific activities or interventions from which the data collection will be based</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Analyze and synthesize data collected</b> through monitoring process and identify patterns and trends</li> <li>▪ <b>Identify learning, good practices and recommendations for improvements for updating the policy</b></li> <li>▪ <b>Report on the results of your evaluation</b> regularly to ensure a transparent implementation and decide how to use the results to strengthen government commitment on ICT start-up ecosystem support</li> </ul>

**Table 12 : Comparison between Monitoring and Evaluation**

## 4.1. Develop a solid monitoring and evaluation system



### Methodology

Establishing the monitoring and evaluation framework begins at the policy development stage with the definition of indicators related to the expected policy outcomes and impacts. Usually, the defined indicators are result of the general objectives set in the strategy or the domain of interest prioritized by the ecosystem. Based on the ITU Toolkit, within the ecosystem canvas part they have defined the indicators to be measured as follow :

- **Vision and Strategy:** Represented by the nation's ability to improve its ranking in the region for entrepreneurship and innovation indices.
- **Infrastructure:** Represented by the growth of support networks (gas pedals, Fab labs).
- **Talent and champions:** Represented by employment rates, attraction of international talent, representation of the diaspora in the ecosystem, retention of talent, etc..
- **Capital and resources:** How many startups have raised funds, at what stages and from where?
- **Markets and networks:** How are startups doing with internationalization, relocation, what's the offshoring capacity, number of joint ventures
- **Culture and communities:** Are young people ready to embark on entrepreneurial and innovative projects ?
- **Policy and regulation:** Has the policy environment for entrepreneurship and innovation in the country improved with the introduction of startup-friendly strategies and policies?

Every policy is supported by a predefined set of expected outcomes and impacts, where each outcome or targeted impact is reflected by a set of measurable indicators :

	INDICATOR	DEFINITION	BASELINE	TARGET	DATA SOURCE	FREQUENCY	RESPONSIBLE	REPORTING
Outcome X/ Impact X	See Table 14	How is it calculated?	What is the current value?	What is the target value?	How will it be measured?	How often will it be measured?	Who will measure it?	Where will it be reported?

**Table 13 : Monitoring and Evaluation Template**

## 4.1. Develop a solid monitoring and evaluation system



### Methodology

In the case of policies that support business creation and innovation, the review of the results of policy implementation is done by assessing the set of indicators related to the expected outcomes and targeted impacts. This is a necessary activity to stay current and achieve the policy objectives. As for outcomes, these are the direct results of policy implementation and can be easily measured using quantifiable indicators. The best practice for collecting data is to use a portal where startups submit updates on their operations every period (quarterly, semi-annually, annually), in order to continue to benefit from the policy incentives. In terms of impact, this refers to the effect of the policy on the ecosystem/beneficiaries of the policy or the economy in general, which are the two types of impacts, direct and indirect, as presented in the Scottish framework. The following are examples of indicators for measuring the impact and outcomes of a policy.

#### Example of Outcomes Indicators: Inspired by the Tunisian Model

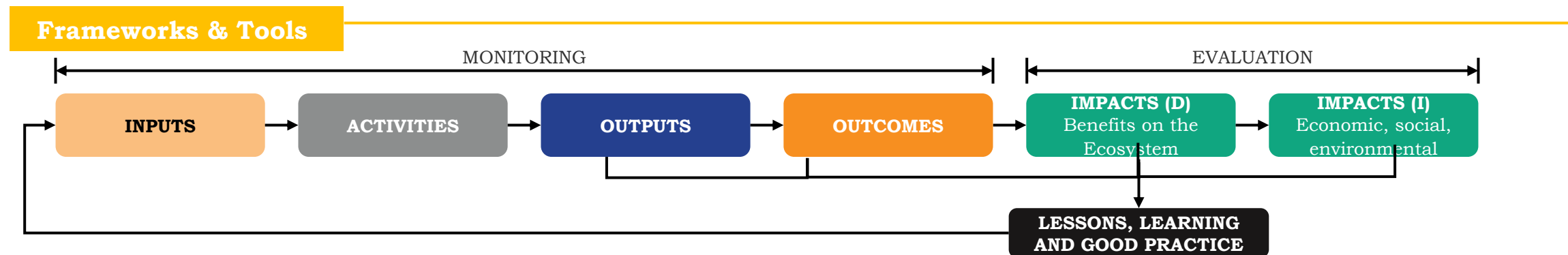
- Number of startups labeled by industry, business model, maturity level, region of incorporation, etc.
- Number & characteristics of Startups expanding internationally or international startups relocating locally
- Profiles of startup founders and employees: age, academic background, level of education, work experience, foreign experience, salary.
- Representation of women in the startup ecosystem
- Number and size of investment deals
- Types of investors, priority investment areas, country of origin, number of takeovers, used instruments...
- Total revenue, number of startups generating revenue
- Jobs created by startups and average startup size (number of employees per startup)
- Startup with intellectual property protection locally and internationally
- Number of startups helped by support structures and at what stage?
- Etc.

#### Example of Impact Indicators : Inspired by the Indian Model

Direct	Indirect
<ul style="list-style-type: none"> <li>• More Job opportunities</li> <li>• New technology that cut off production costs</li> <li>• Better product quality due to more competition</li> <li>• More flow of foreign money through investments</li> <li>• Increase in Talent retention</li> <li>• Etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in GDP</li> <li>• Improve standards of living</li> <li>• Progress on different sectors : health , transport, education, Increase in market demand</li> <li>• Increase in exports</li> <li>• Increase in Market demand</li> <li>• Increase in productivity</li> <li>• Etc.</li> </ul>

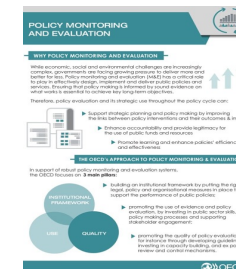
**Table 14 : direct and indirect impact Indicator from the Indian startups experience**

## 4.1. Develop a solid monitoring and evaluation system



**Figure 12 : Monitoring & Evaluation Framework by the Scottish Government**

- **The Theory of Change:** Theory-based approach : <https://thetoolkit.me/123-method/theory-based-evaluation/>
- Other Tools here : <https://thetoolkit.me/approaches-tools/key-tools/>
- OECD's approach to monitoring and evaluation. [THE EVALUATION OF THE ITALIAN “START-UP ACT” \(oecd-ilibrary.org\)](https://oecd-ilibrary.org/publications/the-evaluation-of-the-italian-start-up-act)
- Applying Evaluation Criteria Thoughtfully : [Applying Evaluation Criteria Thoughtfully | OECD iLibrary \(oecd-ilibrary.org\)](https://oecd-ilibrary.org/publications/applying-evaluation-criteria-thoughtfully)



### Key Success Factors

- M&E planning and implementation should be tailored to the specifics of the target group members, not the other way around.
- There is no point in collecting lots of data without a defined objective. Even if some indicators are difficult to define, it is useful to strive for relevant and important information.
- Multi-method approach: Each M&E method has advantages and disadvantages. If multiple methods are used, weaknesses can be minimized, and strengths optimized to provide a clearer picture.
- Participatory and inclusive approach since M&E should be a dialogue about development and progress among all stakeholders, an initial assessment of the context and stakeholders is crucial.
- Monitoring and evaluation indicators should reflect the aspirations and goals of the strategy.





## 4.1. Develop a solid monitoring and evaluation system



### Use Cases



#### Italy

- The policy on innovative SMEs in Italy aspires to be fully evidence-based. In this view, the law foresees the creation of a **structured monitoring and evaluation system** and requires the Minister of Economic Development to **report to Parliament annually a report on the national policy development** that presents: **the state of the art of regulations; demographics and growth dynamics of innovative companies; and evidence of the performance of support measures.**
- A **Monitoring and Evaluation Committee** was also set up by a Ministerial Decree was mandated to collect data and analyze outcomes and impacts of the policy on a regular basis.

The Italian Startup Act includes an **explicit commitment** for the Italian Minister of Economic Development to M&E the impact of the policy, in a view of ensuring **accountability and informing future policy interventions**



The monitoring system also includes ad hoc studies and reports, such as the Startup Survey (2018), an extensive survey on the "Human side" of the start phenomenon

**Figure 13 : Italian Startup Act M&E system**



#### Tunisia

- The Tunisian Startup Act, stresses the importance of monitoring and evaluation activities, where it defines the approach for monitoring the performance of the beneficiaries of its policies under its legislation. The Tunisian monitoring and evaluation model is based on the collection of several types of data that are combined from three main sources: The first is the Startup portal that acts as a database, reflecting the information about the startup persona (legal name, sector of activity, region of activity, co-founders, etc.) as well as the annual financial statements (annual turnover, amount of capital raised, major investments,..). The second source of data is provided by the National Social Security Fund (CNSS) and reflects information on the startup human resources (number of employees, their professional qualifications, their monthly salaries, etc.) and the third source of data is a questionnaire administered annually with a sample of ecosystem participants. This survey complements the data collected by the portal and the CNSS with more in-depth and specific topics that the database could not collect, in order to have a more complete understanding. These data are then Synthesized in an annual report shared publicly.

## 4.2. Report and communicate on the outcomes and impacts to stakeholders




### Contextualization

Reporting is the documentation and communication of M&E results **to appropriate audiences at specified times**. The key purpose of reporting is to account for funds expended, to provide rich data for the decision-making process and to improve targeting and coordination of investments and on-ground actions. Reporting and communication around the outcomes of pro-start-up policies enables also to provide evidence-based information to key stakeholders and investors to increase their confidence in the project.

### Methodology

- To help ensure efficiency, **the purpose of reporting should be clearly defined**. Be sure to include a section in the introduction describing the need to produce this report and its anticipated use.
- Make sure the **information you are providing is accurate, complete, reliable, timely, relevant** and easy to understand.
- **Be clear who your audience is** and ensure that the information is meaningful and useful to them. If needed, tailor the content, format and timing of the report to suit the audiences' needs.
- **Adopt units and formats that allow comparison over time**, enabling progress to be tracked against indicators, targets and other agreed-upon milestones.
- **Make sure your report is concise** and the layout clean and consistent.
- **Focus on results and accomplishments** and link the use of resources allocated to their delivery and use.
- Be sure to include a section describing the **data sources and data collection methods used** so that your findings are objectively verifiable.
- **Write in plain language that can be understood by the target audience**. Avoid complex jargons and details if possible and be consistent in your use of terminology, definitions and descriptions of partners, activities and places.
- **Make use of graphs and charts** to communicate your findings. Present complex data with the help of figures, summary tables, maps, photographs, and graphs that are easier to understand.
- **Invite stakeholders to share their feedback on the results of the monitoring and evaluation** through organizing information sessions or through including an e-mail address to collect inputs and feedback from stakeholders

 *The format and frequency of reporting and communication around the results and impacts of your policy depends on several factors notably: Available resources, the requirements of stakeholders such as donors or legislators, the type of audience– how and by whom reporting data will be utilized etc. Reporting and communication on the results of the M&E can be done in a traditional narrative format in the form of paper reports or using digital technology mediums such as videos, recorded audio, interactive media, mappings , interactive dashboards and online presentations.*

## 4.3. Iterate and update Policies



### Contextualization

Policy update, comes in continuation of the evaluation and monitoring part, where after a certain period, the policy undertaken is questioned as to whether it is still accurate, relevant, and effective or whether further changes are needed. The ICT startup and innovation ecosystem is by essence a rapidly and constantly evolving and changing environment, which requires agility from policy makers to keep the pace. Reasons for policy review may include reasons like : Policy is no longer followed, policy is no longer effective or having the desired impact, new issues have arisen that mandate the policy to be amended, changes to other inter-related policies make the existing policy redundant or noncompliant

### Methodology

- When formulating your pro-start-up policy, **consider deploying a pilot phase on a limited scale..**
- Examine the results of your policy monitoring and evaluation to identify gaps in your policy and/or the areas that need to be updated or strengthened.
- Maintain dialogue with your ICT and start-up ecosystem to confirm changing needs or new emerging issues. Whether pro-start-up policies are working or not should ultimately be assessed by the beneficiaries, and it is crucial to get their feedback prior to making any adjustments.
- Make necessary adjustments by amending existing policies or enforcing regulations - which will require less effort and time than revoking the policy and creating a new one. In the case of the need to propose new policies, a potential consultation process should take place to define a new vision, strategy and deliverables, in the same cycle as defined above

## 4.3. Iterate and update Policies



### Use Cases



#### Chile

Since 2010, the Startup Chile program had an advisory board composed of a group of professionals hired with the purpose of providing input on the development and practice of the program. Through meetings and reflections with key stakeholders in the ecosystem and internally, they make suggestions for changes in the implementation of the Startup Chili program. In 2016, six years after its launch, Startup Chile refreshed its goals and shifted from focusing on cultivating and creating an ecosystem of startups, to impacting socio-economic growth in Chile through startups. The policy implementer found that the startup ecosystem in Chile began to develop more organically and that other actors were working to create a culture and capacity to stimulate entrepreneurship and innovation. He also realized that many startups lacked resources and support to grow and scale. That's why Start-Up Chile changed its role, by providing support to startups so they could better grow, using Chile as a platform, which was not only a change in focus, but also a change in public policy. This new focus addresses some of the persistent challenges in the Chilean ecosystem, including a severe lack of local private capital and resources needed to support startup development.

The background is a dark blue gradient with a complex pattern of white and light blue hexagons. Some hexagons are solid, while others are outlined. Thin, glowing blue lines connect the vertices of the hexagons, creating a network-like structure. The overall aesthetic is modern and technological.

IV

## **ADDRESSING THE BROADER REGULATORY CHALLENGES TO CREATE A BUSINESS ENABLING ENVIRONMENT**

# What are the other key considerations to ensure an integrated framework

***A policy that provides incentives and benefits to start-up ecosystem stakeholders is not the sole condition for ICT-start-up and innovation ecosystems to develop and thrive. Improving the overall business environment and introducing wider reforms is key to ensure success and sustainability of these initiatives. Elements to consider include :***



**Introducing horizontal structural reforms** that improve ease of doing business in general such as fighting corruption, trade facilitation, attracting foreign investments, and reforming other related regulations notably platform economy regulations ... concurrently with the pro-start-up policies.



**Attracting and engaging diaspora** to facilitate their contribution in the development of the ICT start-up and innovation ecosystem (as investors, mentors, or start-up founders) through devising diaspora engagement strategies and plans



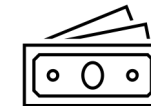
**Ensuring all industry sectors are considered not just high-tech** Encourage growth across all industry sectors including low, mid and high-tech firms



**Developing digital literacy** through introduction of specific trainings and courses in schools and universities and through educational curriculum reform



**Strengthening Intellectual Property regulations** to boost R&D, innovation and competitiveness in local and international markets



**Introduce and promote alternative and innovative financing options** that are adapted to start-ups such as crowdfunding, equity-based crowdfunding, revenue-based funding...



**Creating pan-African market opportunities** For start-ups and investors to establish within a country or a region. The Egyptian start-up ecosystem has been growing in significance in the region without policy interventions. Reasons behind this emergence and growth is that it has one of the biggest markets in the region, therefore fertile ground for startups to grow markets and scale-up. Unlike Egypt, many other African countries with small economies should push for pan-African integration and business cooperation to become more competitive in the global market.

The background is a dark blue gradient with a complex pattern of white and light blue hexagons. Some hexagons are solid, while others are outlined. A network of thin white lines connects various points, some of which are highlighted with small, glowing cyan dots. The overall aesthetic is modern and technological.

V

## CONCLUSION

# Conclusion

Many emerging countries have seen ICT as a gateway to disrupt their local economy and as a driver of job creation and social progress. Governments play a crucial role in creating ICT enabled economies by introducing pro-ICT start-up and innovation policies that promote innovative entrepreneurship and venture creation, R&D, digital literacy...

Nevertheless, policies alone cannot solve all the obstacles to entrepreneurship, the originality lies in the inclusive, participatory and iterative design process, which brings together policy makers as well as the private sector, universities and development agencies . The success of the policy design process is about managing the different interests of the stakeholders and ensuring the ownership of the policies by the ecosystem.

Experience has also shown that governments should create space for policy dialogue between the private and public sectors and between different government institutions, as this helps to establish an effective implementation process. Furthermore, when it comes to policy implementation, it is usually institutional capacity building and the creation of synergies between the different institutions involved and the beneficiaries that contribute to its success.



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IV

## Appendix

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# List of figures:

---

**Figure 1:** Reasons for supporting ICT start-up and innovation ecosystems

**Figure 2:** Startup ecosystem

**Figure 3:** Assessment axis and Scoring grid

**Figure 4:** Overall Score Axis weighting methodology

**Figure 5:** Entrepreneurship and Innovation Maturity stages

**Figure 6:** Maturity axes and parameters per each axes

**Figure 7:** Entrepreneurship strategy

**Figure 8:** Digital Tunisia Strategy

**Figure 9:** Startup Tunisia component

**Figure 10:** Value complexity Matrix

**Figure 11:** List of NSB communication video Series

**Figure 12:** Monitoring & Evaluation Framework by the Scottish Government

**Figure 13:** Italian Startup Act M&E system

---

# List of tables:

**Table 1 :** Startup persona

**Table 2 :** Types of policy interventions

**Table 3 :** Needs Assessments methods and Tools

**Table 4 :** Entrepreneurial Ecosystem Assessment Frameworks

**Table 5 :** Measures Categorization

**Table 6:** Policy Framework Definition

**Table 7 :** From a vision to concrete measures

**Table 8 :** Difference between policy dialogues

**Table 9 :** Policy Dialogue- Use Cases

**Table 10 :** Constituents of policy implementation model -Use cases

**Table 11 :** Illustration of a communication plan

**Table 12 :** Comparison between Monitoring and Evaluation

**Table 13 :** Monitoring and Evaluation Template

**Table 14 :** Direct and indirect impact Indicator from the Indian startups experience