

Africa looks to incubators to spark ICT

By John Yarney

Some [African](#) countries are looking at technology [incubation](#) centers, and in some cases are vigorously promoting the projects, as a way to bolster national [information and communication technology \(ICT\)](#) development.

While Busyinternet Ghana Ltd., a cyberbusiness center in Ghana's capital, Accra, gets ready to officially launch the second phase of its incubation project, similar centers on the continent are coming to fruition. These projects include the Bodibeng Technology Incubator in South Africa, founded in 2002, and the Mauritius ICT Incubator Centre, which started operations in 2003.

In Busyinternet's case, the business-support center is moving away from providing only managed office space, toward offering operational support and technical assistance to startups. There are four companies in-house now, and the project supports 17 other startups as well.

For two years, Busyinternet has been limited to managing office space. But last year it won a grant from Infodev, the Information for Development unit of the World Bank, to expand its business-incubation portfolio of services. The US\$300,000 grant from Infodev will help Busyinternet add operational support and technical assistance to the services it offers new companies.

Infodev is chartered to help developing countries maximize the impact of ICTs in combating poverty and promoting broad-based sustainable development. That concept is fundamental to Africa's budding incubation-center projects.

Mauritius, for example, identified ICT as having the potential to sustain [economic development](#) and is promoting the ICT sector as a new economic pillar, according to Roshan Seebaluck, the assistant manager of Mauritius' National Computer Board and ICT Incubation Centre.

Developments in the Mauritian ICT sector, including the incubation center, business process outsourcing activities and the growing interest of foreign investors in the local market, are expected to increase employment, Seebaluck said. Seebaluck expects the ICT sector to require 7,000 workers to 13,000 workers by 2006.

"Assuming a ratio of one IT professional to two supporting staff, total employment that would be required in the economy would range from 22,000 to 39,000 by year 2006 within the ICT sector," said Seebaluck.

The Bodibeng Technology Incubator in South Africa is also part of broad national policy to develop the small business sector, according to Leon Lourens, its chief executive officer.

Unlike the incubation projects in Mauritius and South Africa, the Busyinternet project is not closely linked to a broader national policy, though Lesley Dodoo, Busyinternet's incubation manager, said "Busyinternet has a social responsibility obligation to do social development."

The deals between incubation centers and startups vary slightly. In some centers the startups pay for space, while at Busyinternet they contribute a percentage of the cost of the support services offered. Each incubation center offers support, which is considered standard. All the incubators offer infrastructure support in the form of office space; logistics support in the form of broadband Internet connectivity and telecommunications; and business support in the form of business advice and counseling.

The amount of time startups can spend in the centers also varies. Busyinternet limits startups to 18

months, while startups have up to three years in the Mauritius ICT Incubator Centre. Time limits are not predetermined at the Bodibeng Technology Incubator, though generally tenants do not stay longer than two years, according to Lourens.

Selection criteria for clients is similar across the different incubators: The startups are typically required to have innovative ideas with an ICT focus, should have been in operation for a while and have growth potential.

The incubators are beginning to see their services generate results. Three companies left the Bodibeng Technology Incubator, while five enterprises -- Bleen Technologies Ltd., Alliance Reseaux Ocean Indian Ltd., Innovative & Creative Lines Ltd., Active Connect Ltd. and Three S Ltd. -- left the Mauritius ICT Incubator Centre.

Other companies, like Childnet Electronic Publishing Company Ltd., a Busyinternet client specializing in interactive educational software, are starting to experience the incubator's benefits. Nana Kwabena Sarpong, a Childnet official, said that locating the company in the incubator brought it closer to customers.

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