

Innovation and Entrepreneurship in Development: The State of Art (or Science?) of Incubators

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The World Bank

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Innovation and Entrepreneurship

Innovation and Entrepreneurship are separate phenomena.

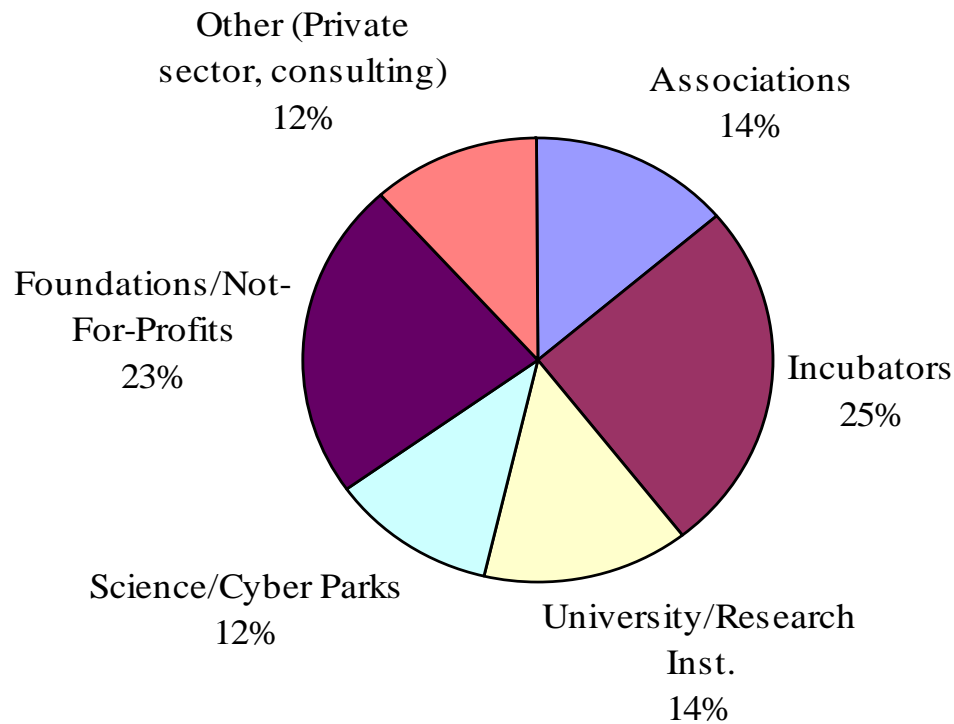
- Innovation can occur throughout an economy – as the output of government programs, R&D labs, or corporate / marketing efforts.....
- Entrepreneurship can occur without any defining elements of innovation; in response to particular economic pressures and circumstances.....

infoDev Incubator Initiative

■ Objectives:

- Improve performance of existing [incubators](#) and developing viable programs in developing countries.
- [Knowledge](#) generation & dissemination: good practices, toolkits, analytical studies to improve knowledge on specific challenges and themes.
- Foster national and international [partnerships and networks](#): promote regional and global cooperation.
- Foster ICT-enabled innovation and development of a new generation of [small enterprises](#) as engines for socioeconomic development in developing countries.

Distribution of Incubator Grants by Organization Type



Business Incubation: Salient Features

- **S** **Synergies** -- objectives, needs, policies, culture. **Sustainability.**
- **A** **Access** -- to services and knowledge, appropriateness, customized
- **L** **Leadership** – champions: who leverage learning and linkages
- **I** **Implementation** -- PPPs and P
- **E** **Externalities** – enabling environment /impact
- **N** **Networks** – clients, mentors, institutions, VCs
- **T** **Technologies** – tech transfer

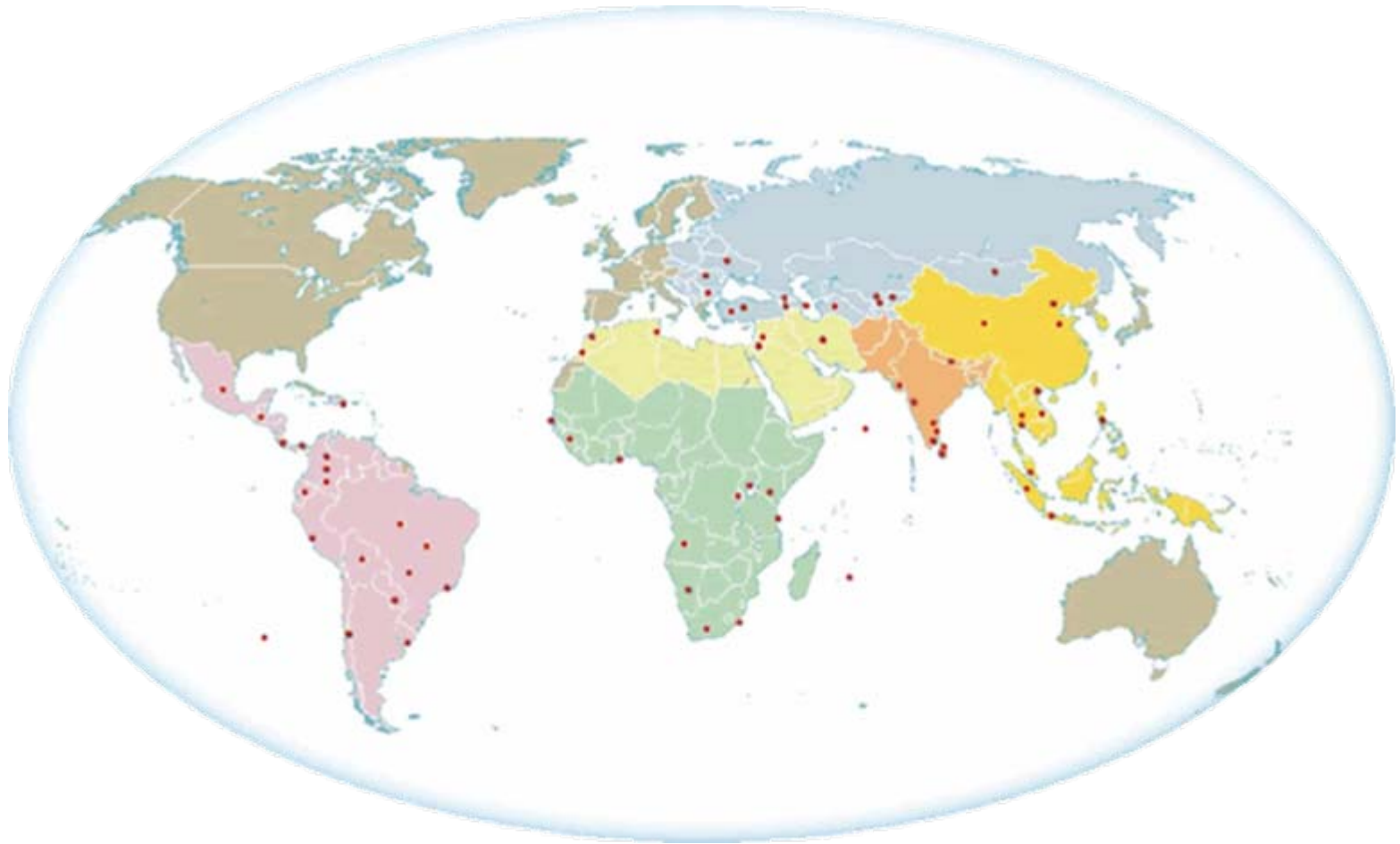
Ongoing & Future Activities

- Support the development regional networks and capture the key lessons from across the regions that can be shared globally
- Continue to support research that provides insights into
 - Designing, implementing and operating sustainable business incubators
 - Investigate the fundamental challenges facing technology entrepreneurs
- Develop a knowledge sharing and networking platform, (iDISC)
 - Provide incubator managers, innovators, policy makers and development partners with the tools to effectively and sustainably support innovation and entrepreneurship as drivers of economic and social development in developing countries

History of Art
Or
The Geography of Science

The Landscape Keeps Changing

infoDev's Global Network of Business Incubators



Thank you

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Innovation

**Innovation is not about Technology alone
but about Ideas, Change, and Knowledge**

- **A adaptable / Affordable / Accessible**
- **ability to be used across Borders**
- **ability to be Commercialized**

Entrepreneurship

- Entrepreneurship Monitor (GEM), segments start-ups into two categories:
 - *necessity* entrepreneurs (NE) who start a business because they “have no better choices for work,” and
 - *opportunity* entrepreneurs (OE) who start a business to take advantage of a market opportunity.
- Most entrepreneurs – 65 percent are OEs; while 35 percent are NEs.
- Most entrepreneurs are already employed.
 - In middle-income countries 91 percent have jobs.
 - In high-income countries the figure is 81 percent
 - In low-income countries it is 77 percent.

infoDev Grant Portfolio

Region	# of grants	Grant Amount (US\$)
Africa	13	1,990,000
Asia (East and South)	22	3,970,000
Eastern Europe and Central Asia	14	2,670,000
Latin America and the Caribbean	15	3,350,000
Middle East and North Africa	8	1,475,000
TOTAL	72	13,455,000

Knowledge

- Monitoring, Evaluation and Impact Assessment (MEIA)
 - Spanning over 66 institutions
- Establish the iDISC as a global learning and networking platform
- Small Island Developing States (SIDS) Business Incubation Toolkit
 - (2) country case studies of Jamaica and Mauritius
- Addressing the Financing Gap for Technology Entrepreneurs in Developing Countries
 - (10) country case studies
- An Assessment of International Best Practice for the Establishment of Sustainable Information Technology Parks
 - (3) country studies of Vietnam, Jordan and Russia



Partnerships and Networks

- Partnerships
 - With the European Commission
 - design of business incubators in the Eastern Caribbean
 - With the Department of Science and Technology, Government of India
 - co-financing of capacity building grants selected competitively
 - Global Forums on Business Incubation

- Regional workshops and Networks
 - Workshops held in 2003 and 2005-2006
 - (5) Regional Networks: Africa, Asia, Europe and Central Asia, Latin America and the Caribbean, and Middle East and North Africa.



Small Enterprises

- The *infoDev* global network spans:
 - 66 organizations in 47 countries across the world
 - More than 200 partnering institutions
 - About 8000 client companies
 - Creating thousands of jobs
 - Ripple effect across various sectors
 - Risk tolerance
 - Public attitudes towards entrepreneurship
 - Private sector involvement
 - Ease of access for small businesses
 - Change in livelihoods

