

ENTREPRENEURSHIP POLICY TOOLKIT

PART 5.6: INFRASTRUCTURE



Prepared by:



**INNOVATION
FOR POLICY**
FOUNDATION

Supported by:



Implemented by

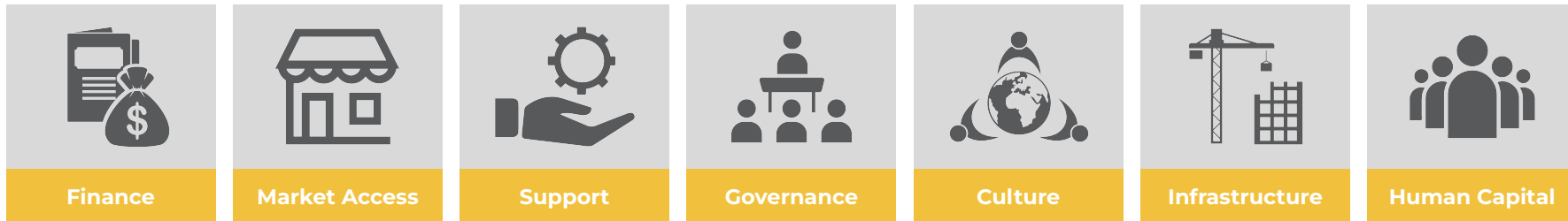


How to read Part 5 of the toolkit?

Part 5 of the Entrepreneurship Policy Toolkit addresses the main challenges faced by entrepreneurs across the continent.

In the previous part of the toolkit, i4Policy analyzed the challenges covered by fourteen entrepreneurial ecosystem diagnostic tools. We concluded that, despite wide variation in sources, the evaluative approaches are relatively consistent and seven challenges are considered the main categories in most of the methodologies reviewed.

These seven provide us with a well-researched typology of challenges faced by entrepreneurs across the world:



How to read Part 5 of the toolkit?

Part 5 of the Entrepreneurship Policy Toolkit is divided into seven sub-sections, tackling each of the challenges mentioned in the previous slide, as follows:

1. **Finance**
2. **Market Access**
3. **Support**
4. **Governance**
5. **Culture**
6. **Infrastructure**
7. **Human Capital**

It is up to you to read through the sub-sections as you desire. You can either download or read the entirety of Part 5, if you want to have a broad understanding and bird-eye view of all challenges faced by entrepreneurs. However, if only a specific challenge is of interest to you, feel free to go through one (or several) sub-sections.

Each subsection contains policy interventions, focusing first on the objectives the policy must meet in order to effectively tackle a challenge, then on the policy's expected impacts and KPIs. Throughout all subsections, examples of successful national policy interventions will be provided per challenge.

What will I learn?

Part 5.6 - Infrastructure

In this section, we will focus on the physical infrastructure required to foster entrepreneurship. You will learn:

- Ways in which to reduce the costs of access to Telecommunications and ICT services;
- How to give access to and reduce the cost of utilities;
- How to improve the quality of physical infrastructure.

Note that this subsection is a bit shorter than most of the content in the toolkit. The reason is that, although good digital and physical infrastructure is very important to foster entrepreneurship, we acknowledge that policy interventions in this area are seldom part of entrepreneurship policies.



Part 5.6

Part 5.6 - Infrastructure

5.6.1 Digital Infrastructure

5.6.2 Utilities & Logistics

5.6.1 Digital infrastructure

These interventions aim at reducing the costs of internet and handset prices or increase the availability of broadband internet. Efficient telecommunications decrease cost of business, increases market reach, and allows for innovation.

Policy Objectives Addressed

- Democratizing internet access
- Reducing the costs of access to Telecommunications and ICT services

Expected Impacts

- Increase the use of digital goods and services
- Development of digital economy and digital innovations

KPIs

- Mobile tariffs
- Handset prices
- Internet access
- 4G mobile network coverage
- Fixed broadband subscriptions
- International internet bandwidth
- Internet access in schools



5.6.1 Digital Infrastructure

- **ICT services and labs:** Provision of technological goods and services.

Zone Franche de la Biotechnologies et des Technologies de l'Information et de la Communication (ZBTIC) is a biotechnology and ICT-focused free zone in Côte d'Ivoire that provides video-conferencing, communications, Internet, data, and other ICT infrastructure to firms.

- **Domain names:** Provision of a national internet address.

The Senegalese startup law gives startups the benefit of a domain name ending in ".sn".



Ivory Coast - Zone Franche de la Biotechnologies et des Technologies de l'Information et de la Communication



- ❖ The Zone Franche de la Biotechnologies et des Technologies de l'Information et de la Communication (ZBTIC) is a biotechnology and ICT-focused free zone in Côte d'Ivoire that provides video-conferencing, communications, Internet, data, and other ICT infrastructure to firms.
- ❖ ZBTIC aims to reduce risk for promising firms by providing infrastructure that would otherwise be costly for an individual firm to acquire, and it expects significant job creation as a result of access to the zone.
- ❖ Between 2012 and January 2015, ZBTIC reportedly had 10 companies enter the facility, including high-profile companies like Orange and MTN, with approximate turnover ranging between 200 million and 2 billion francs. ZBTIC is also reported to have 200 employees working on the zone.



5.6.2 Utilities and Logistics

These interventions aim at giving access to and reducing the cost of utilities and improve the quality of physical infrastructure (roads, air, trains).

Policy Objectives Addressed

- Promoting accessibility to affordable utilities
- Improving of the quality of physical infrastructure

Expected Impacts

- Increase of SMEs productivity
- Growth in trade

KPIs

- Percent of firms experiencing water insufficiencies
- Percent of firms experiencing electrical outages
- Electrification rate
- Logistics Performance Index
- Urbanization rate
- Population density
- Quality of railroad



5.6.2 Utilities and Logistics

- **Utilities:** Improving the access, cost and quality of basic utility services.

Nigeria's policy seeks to provide basic infrastructural facilities such as access roads, transportation facilities, power supply, water supply and other utilities to qualifying MSME locations and clusters.

It also proposes a reduction in the electricity costs through the Nigerian Electricity Regulatory Commission (NERC) for qualifying MSMEs and MSME clusters.

- **Logistics:** Improving the quality of the transport infrastructure and the urbanization.

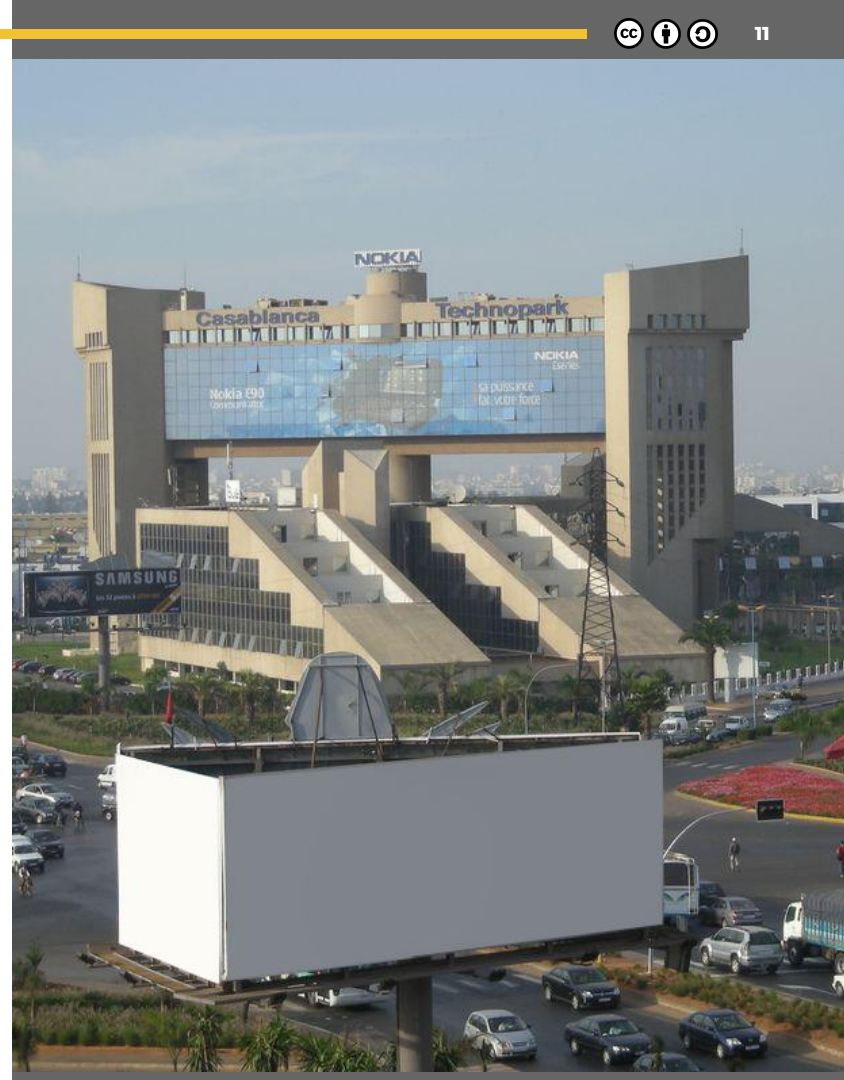
Niger's policy proposes allocating funds to support SMEs in transporting and distributing their goods and services to marketing and export areas as quickly as possible. These funds would be reserved primarily for the transport of regional products.



Technopark Morocco



- ❖ Technopark Morocco's mission is to assist in the creation and development of companies in the ICT sector, Green Tech and cultural industries in Morocco. It is managed by the Moroccan Information Technopark Company (MITC) which is the result of a public-private partnership.
- ❖ Technopark Morocco creates parks for SMEs and gives access to electricity and provides an internet connection, grants and administrative support.
- ❖ Some subsidies are also available for medium sized enterprises who consume a lot of energy to transition to solar power.



Key Performance Indicators



Infrastructure KPIs



Sub Challenge	Description	Indicators	Source
Digital infrastructure	Captures the maturity of the digital infrastructure in a country. It includes costs of internet, availability of broadband internet and handset prices. Efficient telecommunications decrease cost of business, increases market reach, and allows for innovation.	Mobile tariffs	www.mobileconnectivityindex.com
		Handset prices	www.mobileconnectivityindex.com
		Internet access	www.itu.int
		4G mobile network coverage	www.itu.int
		Fixed broadband subscriptions	www.itu.int
		International internet bandwidth	www.itu.int
		Internet access in schools	www.data.uis.unesco.org
Utilities	Measures the availability, reliability and affordability of utilities in a country. A high quality of utilities decreases the costs of business and are fundamental for business operations, especially in the manufacturing services.	Electricity output	www.globalinnovationindex.org
		Access to electricity % population	www.data.worldbank.org
		Getting electricity	www.doingbusiness.org/
		Reliability of electricity supply	www.enterprisesurveys.org
		Reliability of water supply	www.enterprisesurveys.org



Infrastructure KPIs



Sub Challenge	Description	Indicators	Source
Logistics	Measures the quality of physical infrastructure (roads, air, trains) in a country and the administrative logistics process. Good infrastructure and easy procedures reduce the cost of business and transaction costs.	Logistics performance index	www.lpi.worldbank.org
		Quality of road network	www.weforum.org
		Quality of rail network	www.weforum.org
		Quality of air network	www.weforum.org
		Quality of port infrastructure	www.weforum.org
		Gross capital formation	www.globalinnovationindex.org

WHAT TO EXPECT NEXT...




Now that you have explored the role of physical infrastructure in the development of SMEs and startups, our final section (Part 5.7) will focus on human capital.


Take your time to explore and navigate each topic at your own pace. And remember to keep a notebook handy in case you want to jot down particular examples or questions to relate back to your own context.

CREATIVE COMMONS

The Entrepreneurship Policy Toolkit is licensed under the [Creative Commons Attribution-ShareAlike 4.0 International License \(CC BY-SA 4.0\)](https://creativecommons.org/licenses/by-sa/4.0/).

This means that you are free to share, copy and redistribute the toolkit in any medium or format and to adapt, remix, transform and build upon the material for any purpose, even commercially, under the following terms:

 **Attribution** — You must give appropriate credit, provide a link to the license, and indicate if changes were made. You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use.

 **ShareAlike** — If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original.

No additional restrictions — You may not apply legal terms or technological measures that legally restrict others from doing anything the license permits.