Introduction of Tunisia's initiatives to support Startups and SMEs

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Personal Presentation

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- **Diploma:** Diploma of in-depth studies in Public and Financial Law (DEA) obtained from the Faculty of Legal, Political and Social Sciences of Tunis in 2001.
- **Function:** Director of the digital economy

Role of The Ministry of the TCEN


The guarantor of the success of the objectives of the Digital Tunisia 2020 action plan. It coordinates the national digital forces (public companies, computer centers, Tunisia Telecom, La Poste and and private partners).

The transverse operator of the Digital for the State, the DSI of the State.

MTCEEN operate the large applications and digital infrastructure of the state. An infrastructure in which Tunisia excels, with a high-speed network of quality (4G, fiber), an integrated national network of the administration (RNIA), quality trainings, technopoles to host the companies of Digital and Smart Tunisia which is a unit dedicated to supporting IT companies off-shore job creation

The Mtcen was the focal point and coordination between all stakeholders for the implementation of the Startup Tunisia program and is currently ensuring its concretization
The national STARTUP TUNISIA strategy is based on 3 Pillars (STARTUP ACT, STARTUP CAPITAL & STARTUP ECOSYSTEM) and 4 Enablers

**STARTUP TUNISIA**

Making Tunisia a Startup-friendly country at the crossroads of the Mediterranean region, the MENA region and Africa

- **STARTUP ACT**
  - A unique legal framework designed bottom-up with the ecosystem to promote Startups launched or settled in Tunisia.
  - A framework including a merit-based label and a series of advantages and incentives for Entrepreneurs, Startups and Investors.

- **STARTUP CAPITAL**
  - A new VC financing framework to create an ecosystem of VC funds with high added value for Startups.
  - Startup Capital is divided into 3 instruments: (i) a VC Fund of Funds, (ii) a GP Incubator and (iii) a Guarantee Program.

- **STARTUP ECOSYSTEM**
  - A new support framework for Startups and entrepreneurial Hubs.
  - Startup Ecosystem is divided into 3 missions to support all stakeholders of the ecosystem: (i) Grants allocation, (ii) Animation, and (iii) Connection.

- **TALENT POOL**
  - Provide a responsive and unique talent pool in the region for Startups and technology companies by designing and supporting initiatives focused on: (i) the learning of Coding, (ii) best higher education curricula (GE, Ivy League...).

- **CLUSTERS**
  - Identify high-growth tech sub-sectors where Tunisia has the ability to position itself as global - regional leader and grow clusters in support of the sectors identified.

- **ACCESS TO MARKETS**
  - Design and implement local and international market access programs for both Startups and technology companies and ensure an excellent level of Marketing for Tunisia as a destination.

- **INCLUSION**
  - Provide Tunisia with regional physical hubs where Startup ecosystems and innovation can be anchored (Startup City...) with an inclusive dynamic and rethink existing entities (Technopoles, Cyberparks...).
The STARTUP Act is structured around a Label and a series of measures aimed at Entrepreneurs, Investors and Startups

**FOR ENTREPRENEURS**

- **Key Message**
  - Dare to be an Entrepreneur!

- **Measures**
  - Startups Allowance
  - Startup Creation Leave
  - Patenting
  - SIVP & Professional Programs
  - Good Failure (Amicable Liquidation)

**FOR INVESTORS**

- **Seize the opportunity of Startups!**

- **Measures**
  - Tax relief
  - Tax Exemption on Capital Gains
  - Investment Instruments
  - Valuation of contributions in kind
  - Guarantee Program

**FOR STARTUPS**

- **We support you!**

- **Measures**
  - Startups Digital Portal
  - Corporate Income Tax Exemption
  - Social Charges Exemption
  - Special Account in foreign currency
  - Authorized Economic Operator | Customs
  - Homologation | CERT
  - The Technology Card
STARTUP CAPITAL is composed of 3 instruments to drive a strong dynamic of VC financing for Startups

- **VC Fund of Funds**
  - Objective: Launch of 10+ funds dedicated to Startups
  - Size: **200 M€** (Equity)
  - First closing: 100 M€
  - Maturity: 20 years
  - Target: VC Funds at Seed, Early and Late Stages
  - State contribution: 20% (CDC)
  - Manager: SMART CAPITAL (GP with public shareholders and private management)
  - Key Partners: CDC, Bpifrance, AFD, The World Bank, KFW, EU

- **GP Incubator**
  - Objective: Support high potential teams and feed Fund of Funds pipeline
  - Size: **15 M€**
  - Maturity: 3 years
  - Target: Teams with potential to become VC fund managers (GP)
  - Value proposition: Executive program + Study trips + e-learning + Coaching/mentoring + Immersion + Networking & events
  - Approach: Selective, theory & practical, onsite & offsite
  - Manager: SMART CAPITAL

- **GUARANTEE PROGRAM**
  - Objective: Financing the Startup Guarantee Fund (Startup Act)
  - Size: **15 M€**
  - Maturity: 5 years
  - Scope: guaranteeing VC participations in Startups under specific conditions
  - Rationale: Align entrepreneur-investor interests and allow for good bankruptcy
  - Condition: Amicable liquidation
  - Manager: SOTUGAR
STARTUP ECOSYSTEM encompasses 3 missions to support all stakeholders of the ecosystem

**Financing**

- **Objective:** Direct support to Startups & Hubs at key stages of their development
- **Size:** **15 M€**
- **Maturity:** 5 years
- **Instruments for Startups:**
  - AIR: 30 kDT as reimbursable grants (Startup)
  - AIR²: 100 - 200 kDT as bridge reimbursable grants (Startup)
- **Instruments for Hubs:**
  - DEAL: 100 - 200 kDT Grant to start new initiatives (Hubs)
  - SAIL: 10 - 20 kDT Grant based on operational KPIs (Hubs)
- **Manager:** SMART CAPITAL with an independant selection Committee

**Animation**

- **Objective:** Energize the ecosystem and promote peer-to-peer learning through events
- **Size:** **3 M€**
- **Size of the grants:**
  - Small events: 2 - 20 kDT
  - Medium events: 20 - 100 kDT
  - Big events: 100 - 1000 kDT
- **Event organizers:**
  - Hubs (accelerators, incubators...)
  - Associations and foundations active in Startups ecosystem
  - Institutions and companies active in Startups ecosystem
- **Manager:** SMART CAPITAL

**Connections**

- **Objective:** Connect the Tunisian ecosystem to the most dynamic ecosystems in the region and the world
- **Size:** **2 M€**
- **Types of actions:**
  - Exchange programs for Startups and Hubs
  - Tunisian Startup delegations to international events
  - Hosting of international investors and Startups
  - Institutional partnerships with international peers
- **Manager:** SMART CAPITAL
The national strategy for upgrading SMEs adopted in 2016

This Strategy has set the main objective of making Tunisia a Euro-Mediterranean platform for industry and technology and oriented towards Africa and MENA. This is reflected in the transition from growth driven by competitiveness to growth based on innovation. The national innovation strategy adopted has 5 axes:

1. Technological infrastructure (Technological poles, The network of technical centers, the network of laboratories, Technology City Of Tunis)

2. Technological development of existing companies

3. Creation of companies in promising niches

4. Research and development in large companies

5. Promotion of Tunisia: industrial and technological destination

Start of work for the development of the national strategy for industry and innovation by 2035

The development of this strategy, funded by the African Development Bank, should be finalized at the end of June 2020.

Its objective is to find adequate solutions to revitalize the manufacturing industries sector which represents 17% of the Tunisian economy, 20% of jobs and 90% of national exports. The value of exports of these industries reached, in 2019, 40 billion dinars.

The strategy, which will take into account the specificities and competitive advantages of the various Tunisian regions, will put in place long-term approaches with a view to strengthening promising industrial sectors such as the aeronautical and pharmaceutical, textile, leather and shoes and also the intelligence and cultural industries.