Guide: Accelerators and incubators in MENA
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To survive and thrive in the region’s cutthroat SME landscape, entrepreneurs turn to companies that host programmes designed to help them become more focused.

The first few years of a start-up’s life are fundamentally critical. This is the period when entrepreneurs need all the help they can get to move their businesses in the right direction. In fact, in a study conducted by US Bureau of Labor Statistics found that around 20% of SMEs in the US fail in their first year and only about 50% make it to their fifth year.

While capital has often been cited as a major concern facing entrepreneurs across the Middle East and North Africa (MENA) region, it is not the sole reason why young businesses fail. In most cases, their early downfall can be attributed to the founder’s lack of entrepreneurial skills – both hard and soft.

In the MENA region, especially the GCC, the start-up ecosystem is thriving, thanks in part to the emergence of business incubators and accelerators, which support small businesses in their initial funding and skills requirements.
ACCELERATORS VS INCUBATORS

Many people, including start-ups, tend to use the terms “accelerator” and “incubator” interchangeably, but they can be forgiven for thinking the two are one and the same. Both programmes have a common goal: to help start-ups grow by providing them with low-cost co-working spaces, business services, training and mentoring.

Although getting into such programmes are often competitive, it can be rewarding for the select few. Accelerators and incubators often have a wide network of entrepreneurs and investors whom they can connect with promising new businesses. In addition, because they are supporting young ventures in developing their respective business plans – as well as enhancing their pitching and management skills – accelerators and incubators are essentially shaping start-ups to become more attractive to investors.

DIFFERENCES BETWEEN ACCELERATORS, INCUBATORS AND ANGEL INVESTORS

<table>
<thead>
<tr>
<th></th>
<th>Accelerators</th>
<th>Incubators</th>
<th>Angel investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration</td>
<td>3 months</td>
<td>1-5 years</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Cohorts</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Business model</td>
<td>Investment; non-profit</td>
<td>Ren; non-profit</td>
<td>Investment</td>
</tr>
<tr>
<td>Selection frequency</td>
<td>Competitive; cyclical</td>
<td>Non-competitive</td>
<td>Competitive, ongoing</td>
</tr>
<tr>
<td>Venture stage</td>
<td>Early</td>
<td>Early or late</td>
<td>Early</td>
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<tr>
<td>Education offered</td>
<td>Seminars</td>
<td>Ad hoc, HR/legal</td>
<td>None</td>
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<tr>
<td>Venture location</td>
<td>Usually on-site</td>
<td>On-site</td>
<td>Off-site</td>
</tr>
<tr>
<td>Mentorship</td>
<td>Intense, by self and others</td>
<td>Minimal, tactical</td>
<td>As needed, by investor</td>
</tr>
</tbody>
</table>

Source: Cohen and Hochberg, 2014
• **Accelerators** – By definition, accelerators are “a fixed-term, cohort-based programme, including mentorship and educational components, that culminates in a public pitch event or demo day.” They help start-ups define and develop their initial products, identify customer segments and secure resources. Accelerators usually put client companies in a “boot camp” for hands-on training, coaching, and network support for a period of between three and four months until they “graduate.” Many accelerators are privately owned and they often take an equity stake in the ventures participating in the programmes. Graduation usually takes the form of a demo day where the start-ups pitch their business ideas to potential angel or venture capital investors and market clients. Often cited as the original modern-day seed accelerator is the US-based Y Combinator, which helped propel brands such as Dropbox, Airbnb, and Reddit.

• **Incubators** – TechRepublic, a social community for IT professionals, provides an interesting analogy between these two programmes: “If an accelerator is a greenhouse for young plants to get the optimal conditions to grow, an incubator matches quality seeds with the best soil for sprouting and growth.” Meanwhile, Toronto-based Extreme Accelerator describes incubators as a programme for early-stage start-ups that helps launch companies through foundation building and goal setting for an indefinite amount of time. Incubators host start-ups for one to five years, even longer, until they can afford to have their own space. Seed funding is often awarded on a case-by-case basis. Like accelerators, incubators provide start-ups with a workspace and other support services such as mentoring, networking with experts and exposure to investors.
ACCELERATORS AND INCUBATORS IN MENA

If you’re looking to hone your entrepreneurial skills before taking the big plunge to launching your own start-up, here is a rundown of the accelerators and incubators operating in the MENA region:

Accelerators

• **AUC Venture Lab – Cairo, Egypt. Founded in 2013.**
  Offering: The American University in Cairo (AUC) Venture Lab offers a Startup and Fintech Accelerator Programmes, both spanning 16 weeks. The lab provides mentoring and coaching, access to professional network and potential investors. The Startup Accelerator scheme covers multiple industries, including e-commerce, energy and sustainability, healthcare innovation, and creative industries.

• **C5 Accelerate – London, Bahrain. A new entrant in the region; founded in 2016.**
  Offering: USD 10,000-USD 25,000 initial funding in exchange for 7-15% equity for technology, specially cloud, entrepreneurs in MENA. Benefits include mentoring, networking, office space, and perks from partner companies.

• **Flat6Labs – Cairo, Jeddah, Abu Dhabi and Beirut. Founded in 2011.**
  Offering: USD 30,000-USD 50,000 seed money in exchange for equity; four months of mentorship; training; legal support; office space; networking and exposure; as well as follow-on funding.

• **Oasis500 – Amman, Jordan. Founded in 2010.**
  Offering: USD 30,000-USD 100,000 seed money against equity; business and entrepreneurship workshop; six-month hands-on acceleration programme, mentorship and networking opportunities with its pool of investors and entrepreneurs.

• **Taqadam – Thuwal, Saudi Arabia. Founded in 2016.**
  Offering: Backed by the King Abdullah University of Science and Technology (KAUST) and the Saudi British Bank (SABB), Taqadam offers a six-month program, with mentorship, grants, and co-working space. Selected graduates are entitled to follow-on funding.

• **Misk Growth Accelerator – Riyadh, Saudi Arabia. Founded in 2019.**
  Offering: Three-month, post-acceleration programme for MENA start-ups with product market fit and are seeking a scalable growth model. It also offers coaching from in-house and external industry experts, and a USD 100,000 investment from Seedstars and Vision Ventures, as well as a chance to receive a follow-on funding of up to USD 1 million.

• **Seeqnce – Beirut, Lebanon. Founded in 2010.**
  Offering: Start-ups undergo a selection process. Those selected will form teams, assigned workspaces and receive training and mentoring for six months.
• **SeedStartup – Dubai, UAE.** An accelerator and venture capital, founded in 2011. 
  **Offering:** USD 20,000-USD 25,000 seed capital for digital media start-ups. Hosting and mentoring for 3 months culminating on demo day, when founders will try to raise venture capital from angel investors and venture capitalists.

• **Twofour54 – Abu Dhabi, UAE; founded 2009.** The media company funds and supports start-ups, early stage and growth businesses across all the wider media and entertainment platform including, but not limited to media-tech, digital, mobile, web, music and gaming. 
  **Offering:** USD 1,000-USD 50,000 to Arab media entrepreneurs, coaching, virtual or physical office, and networking and legal support.

### Incubators

- **Afkar.me – Riyadh, Kingdom of Saudi Arabia, and Dubai, UAE.** Founded in 2013. 
  **Offering:** Seed fund of USD 20,000 in exchange for 5%-20% equity; office space in Dubai or Riyadh; expert advice; access to MENA market with special focus on Saudi Arabia.

  **Offering:** The programme is open to all Saudi Arabian technology start-ups engaged in business, prototype, or proof of concept product or service. It offers space, training, legal advice, and administrative and marketing assistance, as well as market exposure and local and global networking.

- **Berytech – Beirut, Lebanon.** Founded in 2008.
  **Offering:** The company provides several programmes for a wide variety of industries from agricultural technology and clean energy, to social entrepreneurship and health technology. Office space, networking, resources and support. It offers a nine-month incubation programme with access to working spaces, mentors, and funding opportunities.

- **Business and Technology Incubator (BTI) – Gaza, Palestine.** Founded in 2006. 
  **Offering:** Workspace, training, consultancy, marketing, networking, management and logistic support. It organizes “match-making” events to allow start-ups to pitch their products or services to potential partners. BTI’s services are free because of its partnership with the World Bank, the United Kingdom’s Quality Improvement Fund (QIF), BiD Network, and other funding agencies.

- **in5 – Dubai, UAE.** Founded in 2013. 
  **Offering:** Start-ups are incubated at the in5 Innovation Hub for six months then transferred to a space dedicated to graduates. The Innovation Hub accepts businesses involved in information and communications technology (ICT) such as social media, web development, and mobile applications. It also offers mentoring, training, networking and access to funding.

- **iPark – Amman, Jordan.** Founded 2003
  **Offering:** Through its Bedaya Business Angel Network, iPARK connects start-ups with a large network of local and international angel investors and venture capital firms keen to invest in start-ups and early-stage businesses. It also offers office space, investment facilitation, licensing and other services.

- **Silicon Oasis Founders (SOF) – Dubai, UAE.** Founded in 2012. 
  **Offering:** a 100% owned entity by the Government of Dubai, SOF offers an incubation program that runs from six to 12 months. Hosting, however, is not free; the start-ups would have to pay for space estimated at a minimum of AED 40,000 or around USD 10,900. Services include shared office and meeting spaces, training, networking, mentorship, and company registration (including immigration services). The Dubai Silicon Founders targets technology entrepreneurs whose business may include web and mobile applications, online marketplaces, e-commerce services and digital technology.

- **TIEC – Cairo and Assiut, Egypt.** Founded in 2010
  **Offering:** The Technology Innovation and Entrepreneurship Center (TIEC) offers up to EGP 180,000 (USD 11,450) of fund with 0% equity, up to EGP 120,000 of in-kind services such as consultancy services, software, hardware and marketing. It also provides a working space, basic hardware and software tools, and access to technical, subject-matter advisory, business consulting and mentoring.

Some incubators and accelerators don’t require a detailed business plan as this can be worked out during the boot camp. However, it doesn’t hurt for you to prepare a plan and ask to pitch your product or service during application. This may help in the selection process.

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