



# Funding Start-ups and SME Innovation

## A Guide for MEDA Countries

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June 2008



EuroMed Innovation and Technology Programme  
**Medibtikar**

*EuroMed Innovation and Technology Programme*

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**Medibtikar Guidebook**

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# References

**The Euromed Innovation and Technology Programme** or **Medibtikar** is a programme funded by the European Commission and supervised by the European Commission Delegation in Cairo. The three-year programme started in April 2006 with a budget of EUR 7.3 million. It is managed by a consortium led by Intrasoft International, from the operational base in Cairo, and includes the ANIMA investment Network (AIN), BDPA, CKA, PLANET and ZENIT.

The objective of Medibtikar is to contribute to the development of innovation in the MEDA countries (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian Authority, Syria, Tunisia, and Turkey) and to help Mediterranean companies participating in innovation projects in collaboration with European partners.

The identification number for the Medibtikar contract with the European Commission is MED/2003/070-567.

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The author would like to thank the Medibtikar experts François Tamarelle, Sirin Elcin, Serge Destruel, Mondher Cherif, Youssef Mlik, as well as the Medibtikar partners in MEDA countries for their advice and contribution to this guide.

# Disclaimer

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# Acronyms and symbols

AIN: ANIMA Investment Network

DZD: Algerian Dinar (currency)

EC: European Commission

EGP: Egyptian Pound (currency)

EIB: European Investment Bank

EIF: European Investment Fund

EU: European Union

EUR: Euro (currency)

Euromed: Euro-Mediterranean area (widely accepted as the EU-27 countries plus the MEDA countries)

FEMIP: Facility for Euro-Med Investment and Partnership

ICT: Information and communications technology

IT: information technology

JOD: Jordanian Dinar (currency)

LBO: leverage buy out

LBP: Lebanese Pound (currency)

MAD: Moroccan Dirham (currency)

MEDA: group of 12 partner countries of the European Union: Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Palestinian Authority, Syria, Tunisia, and Turkey

MENA: Middle East - North Africa. This term is generally conceived as embracing a broader Middle East including the Gulf countries and beyond

NGO: non-governmental organisation

PE: private equity

R&D: research and development

SICAR: venture capital investment company (Société d'Investissement en Capital à Risque)

SME: small and medium-sized enterprise (in legal terms, an independent enterprise with less than 250 employees)

SYP: Syrian Pound (currency)

TND: Tunisian Dinar (currency)

TRY: Turkish New Lira (currency)

UNDP: United Nations Development Programme

USD: United States of America Dollars (currency)

USAID: United States Agency for International Development

VC: venture capital

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# Who should read this guide

## Entrepreneurs looking for funding

The Medibtikar guide "Funding Start-ups and SME Innovation" intends to facilitate entrepreneurs' research for funding.

For this purpose, we undertook to map all the financing tools available for start-ups in their pre-seed, seed and early development stages. The guide also features the instruments available to support the transformation of research and development results into valuable business innovations.

In each of the studied countries, entrepreneurs will be able to identify grants and support schemes financing entrepreneurship and innovation, guarantee funds or institutions to back their loans, national institutions supporting entrepreneurship and innovation funding, and seed and venture capital funds.

For each instrument, entrepreneurs will be provided with the following details:

- objectives and history,
- contacts, managers and stakeholders,
- type of funding and average amount (average ticket),
- application process and location,
- track record (if applicable).

## Investors searching for a deal flow

This guide can also prove useful for private investors aiming at finding a deal flow of projects in which to invest.

Business angels — wealthy individuals funding companies, but also seed and venture capital funds — often act as mentors for the entrepreneurs they support, sharing their business and industry experience and accessing their personal network to speed up the development of the companies. With this guide, they will be able to identify all grant, support programmes and institutions to back the projects they invest in.

Moreover, the guide presents all the incubators which support companies in accessing finances, be it through grants or by introducing them to banks (to apply for loans) and private investors. In so doing, incubators coach the entrepreneurs in properly presenting their projects and their financial forecasts. It is likely that sourcing an investment deal flow within these incubators will help locate more prepared entrepreneurs in terms of investor understanding.

## Coaches and organisations supporting SMEs

In the process of compiling this guide, we realised how dispersed the available information is. There is almost never one single source of information providing a presentation or even a list of all the funding sources for start-ups and SMEs. A few

supporting organisations have tried to set up lists of instruments, mainly grant programmes and guarantee schemes, and sometimes investment funds. But in the course of our research, we found that these were always incomplete.

Thanks to access to the ANIMA Investment Network investment funds observatory, this guide provides far more exhaustive information. Furthermore, visiting six of the eight countries studied during the first quarter of 2008 to meet the innovation funding stakeholders afforded us updated information on the recent initiatives supporting innovation.

Therefore, we expect that incubator managers, private consultants, public organisations and private associations that support entrepreneurship and SMEs will discover new information in this guide. We have tried to make the presentation of the financing instruments as functional as possible, in the hope that this guide will help the enterprises they support to move ahead faster.

# Ways forward to improve innovation financing

Absence of regional instruments impedes companies' international development

## The necessity to internationalise also concerns early stage development

In the global economy as it currently stands, SMEs are facing two major challenges. Innovation has become a must to achieve healthy growth and competitiveness, and the quick internationalisation of companies is connected to this. For an innovative company, staying focused on its national market means refusing to accommodate all the adopters of its new product or technology.

How many innovations are really new? In most cases, an innovation will be presented by an entrepreneur abroad that is local market. If this comparable to that of obviously this would problem for the If, on the other hand, exclusively focused on a narrowed niche in a small country, then it has missed the opportunity to have exported its idea sooner.

Innovation is most often stored in an incubator, waiting for a hypothetical domestic market to adopt it

inspired by a company enjoying success in its local market size is the US, for instance, then not pose much of a company being "copied". this company is

This equation is very true for MEDA companies, whose countries' populations range from about 6 million (Jordan) to 80 million (Egypt) inhabitants. The region produces great engineers and a large number of creative technicians. But once pass the conception phase, innovation is often stored in an incubator, waiting for hypothetical adoption by the domestic market.

In Italy, SMEs represent 60% of the country's exports. Internationalisation is a must and should be considered as early as the conception of the business idea phase. In a world where ideas circulate at telecom network speed, it is essential that they look abroad to develop their business projects. International partnerships appear to be a powerful means to move on quickly. Be it commercial (distributors, licensees, business partners in bids), technological (R&D centres, universities) or industrial (co- and sub-contractors), looking for a partner is not an easy task, and young entrepreneurs must be able to rely on a favourable environment: public incentives for international development; international networks of incubators, technopoles or universities; technology transfer networks; and international mentors, including the financing stakeholders of the company.

## **Favour companies' internationalisation at national level**

Some of the MEDA countries offer tax incentives for exporting companies of any size. A few other measures could give them additional leverage:

- authorising tax-free provisions made by enterprises for the purpose of funding their exports or foreign development of licensees;
- scaling the depreciation of expenses for international investments or installations;
- providing tax exemptions for export staff;
- offering guarantee schemes to back the loans of exporting companies, or the pre-financing of sales abroad.

The creation of national centres participating in international technology transfer or business development networks is also to be promoted. One of the Medibtikar initiatives involves supporting MEDA countries so they can connect to the European Innovation Relay Centres, to the UNIDO Med-exchange platform or the private American technology provider NineSigma's network.

## **Develop international instruments at Euromed level**

From the 125 financing instruments identified while compiling this guide, only 4 invest in more than 1 country of the region. These instruments are only private investment funds, three of the four being based outside the Euromed zone. Since the Medibtikar project started in April 2006, we found very few public initiatives to support internationalisation of companies and technology transfers; those that do exist rarely diversify their channels of dissemination for the projects they promote.

In our opinion, the private investor is one of the key means of support for companies' internationalisation. Investment funds are usually specialised in specific sectors, technologies, value chains or processes, in order to develop synergies amongst the companies they have in their portfolio. Often acting as a mentor, especially in the seed and early development stage, an investment fund develops expertise in the market where its companies evolve. A fund investing in different countries will thus develop international expertise, while trying to build a pool of companies pulling each other towards shared success. Herein lies the benefit of welcoming international investors for innovative early stage companies. We realised, however, that this type of investor is hard to find for early stage companies.

International funds delivering later stage investors with matured start-ups already positioned in several countries

The entire private equity community would warmly welcome<sup>1</sup> the creation of such international early stage funds, able to deliver later stage investors with matured start-ups already positioned in several countries. Using this assumption as a starting point

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<sup>1</sup> In May 2008, during a Medibtikar seminar gathering MEDA investment funds, intermediaries supporting innovation and entrepreneurs, participants were asked to note their interest in the creation of a regional seed fund. Investment funds gave an average positive interest note of 4.83/5; 96% of them were willing to work actively on its creation, 86% to be involved in its management.

within the Medibtikar project, we undertook to study and quantify the feasibility of such an international fund for the Euromed zone. It is an ongoing piece of work that will be detailed in other reports. Still, having studied early stage financing in MEDA for a few months (see the "How we have worked" section), we were able make some assessments, detailed below, that will guide our work from this point on.

- **A deal flow exists in MEDA:** High-potential innovative projects exist, but their promoters are unaware of their financing opportunities. Incubators are quite well connected with grant and loans schemes, but not with business angels or investment funds.
- **There is success:** Many great projects are not considered by investors. So few projects have the chance to get funded that we came across investment funds in MEDA investing in seed projects with 100% success!
- **Mentoring is weak:** Pre-investment services provided by MEDA countries supporting organisations do not really prepare entrepreneurs to meet investors' expectations. On the other hand, investment funds do not have the capacity to provide an efficient post-investment accompaniment.
- **Actors (public/private) of the SME financing chain are disconnected:** At the same time, all have a shared interest in the quick development and success of the companies.

## Lack of seed and venture capital money

### Not enough investment in equity for early stage companies

The table below shows the amounts already raised from their stakeholders by all investment funds targeting at least one of the MEDA countries: thus this represents potential investments in MEDA companies. It is striking to note the low share of money dedicated to seed and venture capital investment.

*Raised amounts (USD mln) by region and investment stage (ANIMA survey)*

Host region	Host countries	R&D	Seed	VC	Growth	LBO	Total
Euro-MENA	MENA		305	515	3 322	2 865	7 007
	Euromed countries				234	30	264
	MEDA-11		25	80	376	279	760
	MENA + emerging				105	105	210
<b>Total Euro-MENA</b>			<b>330</b>	<b>595</b>	<b>4 036</b>	<b>3 278</b>	<b>8 240</b>
Maghreb	Algeria			1	1		2
	Libya		2	6	36	12	57
	Morocco		86	48	534	266	934
	Tunisia		1	12	46	7	66
	Algeria/ Morocco/ Tunisia			18	627	733	1 379
<b>Total Maghreb</b>			<b>90</b>	<b>85</b>	<b>1 244</b>	<b>1 018</b>	<b>2 437</b>
Mashreq	Egypt		9	9	453	54	525
	Jordan				290	181	471
	Lebanon			4	14		18
<b>Total Mashreq</b>			<b>9</b>	<b>13</b>	<b>757</b>	<b>235</b>	<b>1 015</b>
Other MEDA	Israel	4 238	4 680	4 804	4 082	157	17 961
	Turkey		9	53	939	342	1 344
<b>Total Other MEDA</b>		<b>4 238</b>	<b>4 689</b>	<b>4 857</b>	<b>5 021</b>	<b>499</b>	<b>19 304</b>
<b>Total</b>		<b>4 238</b>	<b>5 119</b>	<b>5 551</b>	<b>11 059</b>	<b>5 030</b>	<b>30 997</b>

Source: ANIMA Med Funds Observatory, 2008

Out of the USD 13.04 billion potential investment (outside Israel), early stage companies can only count on 9.07%: some USD 438 million for seed investment and USD 746 million for venture capital projects. By comparison, later stage (growth and LBO) investment potential represents only 23% of the funds to be invested in Israel.

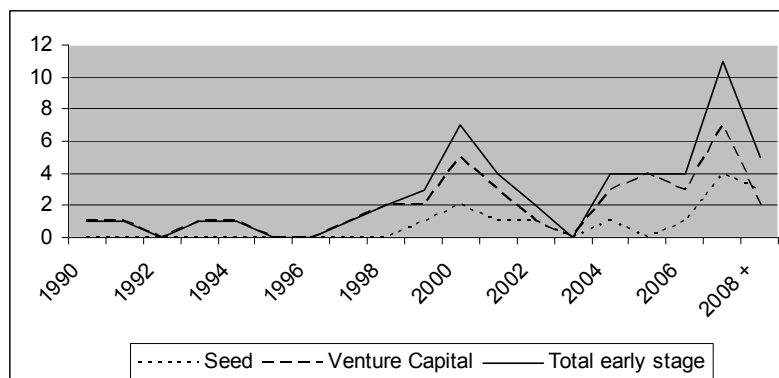
The good news, however, is that 78% of the funds targeting early stage companies come from the 4 funds targeting the entire MENA region (3 from the Gulf countries, 1 from Egypt). Being positioned in several countries, these funds offer faster internationalisation opportunities to the projects in which they invest.

Another notable piece of information is the gap in terms of development of private equity between the two sub-regions of MEDA, which is favourable to the Maghreb countries. The multiplier of potential investment in early stage companies is 8 between Mashreq (USD 22 million in early stage companies) and Maghreb countries (USD 175 million).

### A growing trend that needs confirmation

The pioneers in early stage investment funds were Egypt, where the first two seed funds of MEDA were created in 2000, and before this Tunisia whose first venture capital funds date back to 1990. Since then, the growth of this industry has been rather slow, and today Egypt ranks behind Tunisia and Morocco in terms of instruments available.

*Number of early stage funds targeting a MEDA country (outside Israel) created per year*



*Source: ANIMA Med Funds observatory, April 2008*

The table above seems to show a growing trend in the creation of early stage instruments, with an acceleration starting in 2004. ANIMA has already recorded announcements for the creation of three seed funds and two venture capital funds in 2008 and later.

### Towards a mix model to introduce financing in incubators

#### Public spending often focuses on consulting services

Among the 34 incubators (identified in the 8 studied countries) which support start-ups in accessing to funding, only 3 of them invest in equity in the incubated companies (in

Egypt, Lebanon<sup>2</sup> and Turkey). Grants are offered by 9 of them (all in Morocco, for a maximum of EUR 20,000 per project). The 20 others incubators offer coaching and preparation for accessing finances (presentations of the project, support in applying for loans and grants, introduction to private investors).

It is probably not a coincidence that these three investing incubators are owned by private stakeholders: banks, telecom operators, insurance companies and private investment companies. Whereas public (national or NGO) money funding incubators all over the region is focused on the creation of a volume<sup>3</sup> of projects to join the incubating structures, these three private incubators undertook a different strategy: a lower deal flow, focused on the quality of the project with regard to the expertise of the incubator's coaching capacities, with a closer mentoring of the projects they nurture.

### **When incubators partner with private investors**

The MEDA countries need to promote entrepreneurship and produce start-ups. Governments play their part by setting up infrastructures to facilitate the settling of new companies. On the other hand, the private model for incubating is certainly interesting in terms of incentive, both for the entrepreneur and for the management of the incubator. The challenge lies in balancing volume and performance for the numerous incubators created in MEDA, particularly in the Maghreb countries. Models should probably be created, where public (or a mix of public and private) money will provide an infrastructure to host projects that will be funded in equity and mentored by private stakeholders.

Timescales differ for public and private stakeholders. Chances are that the companies privately incubated are encouraged to deliver results sooner, and if not, to move out of the incubator<sup>4</sup>. In a global competitive environment, this pressure put on the incubated entrepreneur constitutes good experience for the future manager, provided it is shared by the coach in charge of mentoring the project.

The personal motivation of the incubator staff has a direct impact on the dynamism of the promoters. Hence the advantage of having private investors in the incubated projects, with direct incentives for the coaching staff on the return they generate. Thus, all the stakeholders (public and private owners, investors, coach and entrepreneurs) work towards the same objective: fast and profitable success.

The incubator E-mbrio in Turkey seems to be close to this type of model. Projects are selected and accompanied in view of being invested in by the incubator. In Tunisia, regional Sicars<sup>5</sup> are members of the board of the "pépinières" created by the government. Thus, they participate in the selection of projects to be "grown" in the "pépinière", are

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<sup>2</sup> The Berytech fund is in its starting phase.

<sup>3</sup> Typically, Tunisia has already created 24 "pépinières" (i.e. nurseries) to contribute to the objective set by its president of creating 70,000 new enterprises in the next few years.

<sup>4</sup> In some incubators in Israel, companies are asked to move out after two years, whatever the results.

<sup>5</sup> Sociétés d'investissement en capital risqué.

made aware of the support and coaching provided to the project holders, and of the projects' performance, and are more likely to invest in some of them.

## Where are the business angels?

### **A too discreet activity based on friends and family networks**

In the USA, business angels fund 10 times more companies than venture capitalists. Medibtikar has undertaken to promote and support the organisation of business angels<sup>6</sup> into networks in the MEDA countries in parallel to its work on this guide, and the study (engineering) of new regional tools to fund early stage companies.

In so doing, we realised that this type of private investor barely exists in the form commonly found in Europe or the USA, as explained below.

- A form of business angels at least exists in Maghreb countries<sup>7</sup>. These are discreet wealthy businessmen relying on friends and family networks to source the promoters they support. They usually work with a top-down approach, providing business ideas and funds to entrepreneurs they hire to run projects, as opposed to the traditional business angel bottom-up process where promoters present their business projects to be funded.
- A more classic form of business angel seems to exist in Mashreq countries (in Syria and Jordan, apparently). It is at least advertised by young entrepreneurs' associations from which they apparently source their deal flow.
- Besides this, entrepreneurs do mentor projects in MEDA. An example is the association Maroc Entreprenre,<sup>8</sup> whose members' motivation is the economic development of their country, unlike the risky patrimonial management motivation of the traditional business angel.

However, based on the discussions we had with incubator managers and SME supporting organisations in MEDA, it is rare to find companies that have been supported by business angels outside the family and friends circle. The culture could explain this: individual investors may prefer this type of "non-productive" part of their activity to remain discreet. The absence of legal incentives promoting individual investment in small companies in most of the MEDA countries also plays a part in the need for secrecy. The consequence is a total disconnection between the visible providers of deal flow (incubators, technopoles) and the potential business angels. Thus, there is an apparent absence of this type of investor to back the most innovative projects emerging in MEDA, whose need for quality mentoring and experience is essential.

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<sup>6</sup> Individual wealthy investors, usually business people and managers, who invest in high potential companies and mentor their promoters by offering them industry experience and access to their business network.

<sup>7</sup> This was before Medibtikar initiated and supported the creation of the first Business Angel network in Morocco, launched in October 2008.

<sup>8</sup> A total of 70 top managers of Moroccan companies who select projects to be mentored by one of them, and provide guarantees for the loans contracted by the promoters.

## **Business angel networks to professionalise and become visible**

Business angel networks constitute a means of improving funding in innovative start-ups, while respecting the anonymity of the individual investors. A business angel network is a group of individual investors, independent from any national or international institution. Some of the reasons why business angels may have an interest in forming clubs or networks are set out below.

- Together, business angels can facilitate access to projects that are more interesting and more innovative (a network is a regional attraction pole for entrepreneurs willing to get funded).
- They can share their competencies and expertise with other business angels.
- They can analyse and study projects together and thus reduce the risks of being misled or making mistakes.
- They can eventually invest together with other business angels on the same projects and therefore consider bigger projects, or they can invest in more projects and thus reduce individual risk.

## **The equity gap restricts entrepreneur potential**

### **A gulf between EUR 20,000 and EUR 100,000 funding tickets**

In the 8 countries being considered, there are 22 programmes helping SMEs access finances, and we found that only 5 of these do not offer direct funding. There are 13 programmes offering grants and sometimes investment in equity, and 4 programmes providing loans or guarantees to apply for loans.

In most of the countries, grant schemes range from a few thousands (SEDO, Egypt) of euros to EUR 20,000 (Innovact Morocco). In these countries, the problem for companies lies in finding funding for them to grow and reach the point where they can be invested in by an investment fund. The lower investment ticket of the region's funds is Sindibad (around EUR 50,000). Malaz, a Saudi fund investing in all MENA countries, and preferably in ICT, has tickets starting at EUR 70,000. All other funds start investing with amounts over EUR 100,000.

### **Capacity for entrepreneurship restricted to a narrowed segment of the population**

With virtually no business angels in MEDA, and grants being too low to fund the start-up stage of the companies, the entrepreneur's task is difficult. Few means lead to slower development, and the risk for the promoter is to have to stand by as the innovation become obsolete, or worse, be "taken" by another, before having the chance to release it on the market. This context of the equity gap automatically prioritises two groups: i) entrepreneurs with wealthy friends and a family circle keen to support them, and ii) entrepreneurs able to provide collateral to apply for loans and finance their growth. In both cases, the profiles are similar, and entrepreneurship is logically open to the affluent section of the population.

### **Increased chances for Tunisian and Turk entrepreneurs**

Two countries are an exception to this pattern: Tunisia and Turkey. Not only do these countries have a more dynamic private equity industry (like Morocco), but the supporting schemes in place seem to be well designed so as to bridge the equity gap described above.

In Tunisia, public schemes to fund R&D, entrepreneurship and innovation offer grants ranging from EUR 40,000 to EUR 125,000 (PIRD, RITI, VRR), whereas in Turkey TEYDEB offers up to EUR 210,000 grants through the SME funding programme. It is also most interesting to note that both countries have put in place programmes that invest in equity in selected companies at their onset (up to EUR 1.5 million from FOPRODI in Tunisia, and up to EUR 350,000 for TTGV in Turkey).

# Inside your guide

## Find your way within the financing offer

### Our objectives

This guide intends to be southern and eastern Mediterranean entrepreneurs' main source when trying to fund the early stages of their company. It is a guide to help them find their way through all the structures, funds, institutions and programmes available.

In our opinion, there are three success "keys" needed to turn a business project into a success. One is the idea, and the capacity of the promoters to conceptualise this idea commercially. The second is the managing capacity of the promoters, not only to implement and sell that idea, but to pilot its development and the growth of their project – especially on an international scale if it concerns technological innovation. The third is the presence of the necessary financial means at each stage of the transformation of the business idea into a successful company.

This guide will provide support in securing the third success key, by documenting all the identified financing instruments for funding the early stages of the enterprises' development. These instruments are available to promoters in eight Mediterranean countries: Algeria, Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia, and Turkey.

The stages of funding covered by the guide are as follows.

- Formalising the project and starting implementation: this is usually done through grant schemes and public incubators (or financed by friends and family).
- Designing prototypes or finalising the initial investments to start up the company and sell: supporting money usually comes from business angels and pre-seed funds (public grants or loans).
- Starting to sell and develop the growth of the company, to hire staff and start implementing a mid-term strategy: this is where the venture capital funds and mid-term loans come in.

The idea is also to provide the reader with information that will be as practically useful as possible. Readers will be able to find all the characteristics of each instrument (contact details, name of the managers, stakeholders, type and average amount of funding provided), as well as information needed to take the next step (description of the application process and where to apply).

### How to use this guide

#### *Search for funds by category of financing tools*

What type of funding are you looking for?

- **Seed and venture capital funds:** These are investment funds funding companies in their seed and starting stages.

- **Guarantee funds:** Public and private schemes or institutions providing SMEs with guarantees when applying for loans. In this guide, we have focused on institutions specialised in providing guarantees to SMEs. They usually work with numerous banks through which the entrepreneur applies for his or her loan. If a bank rejects your application, you are advised to apply to several other banks.
- **Incubators and business angels:** Focus on pre-seed or the very early stages of your company. Can be one of the following: i) public and private incubator providing financing services, or if not, offering services for access to funding (coaching in applying for funds or loans; introduction to banks, grant programmes or investors); ii) associations of businessmen or consulting companies who support entrepreneurship, with the possibility to invest in the projects they mentor eventually, or giving access to business angels and investors.
- **Support programmes for funding SMEs:** Fund either enterprise creation, innovation (intellectual property and/or turning research results into a business), or upgrading of companies. Usually this involves grant programmes, or projects offering loans without interest (free loans), or eventually coaching programmes helping with access to finances. They sometimes work through incubators or institutions and are funded by national or international organisations, sometimes by business associations. Collateral or fees can be demanded of the entrepreneur.
- **Institutions and associations:** These are either banks specialised in providing services to SMEs, or innovation agencies when applicable, or SME-supporting organisations running programmes to help start-ups and SMEs access finances. We have also included a few associations of investors where you may find advice for applying for funding.

Refer to the section "Mapping of financing tools" where all financing instruments are sorted by category.

There is a table presenting a list of instruments available in each country corresponding to each of the categories described above. Find the country of interest in the table, and refer to the corresponding page listed, to access detailed information about these instruments.

### *Search funds by country*

In the "Table of Contents" (page 7), simply find the page listed for the country you are interested under the "Financing instruments directory" section starting on page 31, and refer to the relevant page for detailed information on every financing instrument we have identified in the respective country.

## How we have worked

This guide doesn't claim to be exhaustive, and we would like to apologise in advance if there are any instruments we have overlooked. If you run an organisation, project or institution providing financing to SMEs and start-ups and are not listed here, please contact us and we will correct the listing immediately (e-mail us at [innofund@medibtikar.eu](mailto:innofund@medibtikar.eu)).

Since new grant schemes emerge regularly, based on the availability of new credit lines from national and international donors, entrepreneurs and their accompaniers are advised to contact the national associations or organisations supporting SMEs to ascertain whether they may benefit from additional funding. The variety of investment funds, some being subsidiaries of large companies, also makes an exhaustive inventory difficult. We also believe we did not place enough emphasis on the "Institutions and Associations" section.

However, we have made a systematic effort to source instruments and collect operational information on each of them in every country, based on existing documentation (including the Internet), the information provided by Medibtikar National Focal Points, and existing studies on the topic. We also visited six of the eight countries studied and benefited from the contribution of a local consultant in one of the countries not visited. Only Syria was not visited by Medibtikar experts for the purpose of the financing activities. However Medibtikar consultants made several visits to Syria in 2006 and 2007, which led to the documented reports we have used for this guide.

### **Geographic coverage: reasons for omitting Israel and the Palestinian Authority**

#### *Insufficient information from Palestine*

Information on the instruments available to SMEs in Palestine for funding their start-ups or their new activities will be made available in the final version of this guide.

Since the Medibtikar programme started in April 2006, Palestine has faced a number of difficulties that prevented our experts from visiting and deflected the course of our relationship with innovation stakeholders in the country: the periods of open conflict, and the fact that for some months civil servants did not receive their salaries.

As far as we can tell from the ANIMA Med Funds observatory, there is no investment fund operating in the country. Still, innovative companies in the country can benefit from the support of dynamic venture capitalists in Israel. Support for SMEs is funded by international donors' programmes. The IFC signed a recent agreement with Al Rafah Microfinance Bank and the Capital Market Authority, to support access to finance for SMEs. The IFC might act as a guarantee scheme. Cisco Systems has recently launched an initiative committing USD 10 million to the promotion of technological projects in the country.

#### *Unsure added value for Israel concerning the superabundant financing offer*

Israel ranks world second after the USA, for the total amount of money invested in venture capital.

## Funding Start-ups and SME Innovation

Out of 320 investment funds targeting at least 1 of the MEDA countries identified by ANIMA Med Funds observatory, 181 are targeting Israeli companies. And the amount raised by these funds represents 54% of the total amount raised by the funds targeting MEDA countries.

*PE funds by welcoming country and region (ANIMA survey)*

Host region	Host countries	Total funds (number and %)		Raised equity (amounts, US\$m, and %)	
Euro-MENA	Euromed countries	4	1%	463	1%
	MEDA-11	14	4%	1 781	6%
	MENA	44	14%	6 983	23%
	MENA + emerging	4	1%	190	1%
<b>Total Euro MENA</b>		<b>66</b>	<b>21%</b>	<b>9 417</b>	<b>30%</b>
Maghreb	Algeria	1	0.3%	2	0.01%
	Algeria/ Morocco/ Tunisia	16	5%	1 579	5%
	Libya	2	1%	52	0.2%
	Morocco	18	6%	846	3%
	Tunisia	9	3%	64	0.2%
<b>Total Maghreb</b>		<b>46</b>	<b>14%</b>	<b>2 543</b>	<b>8%</b>
Mashreq	Egypt	10	3%	611	2%
	Jordan	5	2%	432	1%
	Lebanon	2	1%	36	0.1%
	Syria	1	0.3%		
<b>Total Mashreq</b>		<b>18</b>	<b>6%</b>	<b>1 079</b>	<b>3%</b>
Other MEDA	Israel	181	57%	16 740	54%
	Turkey	9	3%	1 218	4%
<b>Total Other MEDA</b>		<b>190</b>	<b>59%</b>	<b>17 958</b>	<b>58%</b>
<b>Grand total</b>		<b>320</b>	<b>100%</b>	<b>30 997</b>	<b>100%</b>

Out of these 181 funds, we found that 120 were active, at least partially, in seed funding, and 82 in venture capital investment. These figures are to be compared with the 11 seed venture capital funds identified in Morocco, the 7 funds in Tunisia and the 6 in Turkey, which are the top 3 among the rest of the MEDA countries.

The amounts raised by these funds targeting Israel for investment in early stage companies are impressive: USD 9 million for seed and venture capital, out of a total amount of USD 17 million raised by all investment funds working in Israel (see also the amounts raised by investment stage in the figure on page 13).

Furthermore, we discovered the Israeli Venture Capital (IVC) Research Centre's 2007 Yearbook, which presents in detail every operational – still investing – investment fund targeting Israel.

Thus, we concluded that the offers of private funding addressing enterprise creation and early stage development in Israel were already so developed, and the information so accessible, that we did not believe we had much to add for entrepreneurs within this guide.

### Desk research and documentation

Set out below is the material we used to identify the different instruments supporting start-ups and innovation financing in SMEs, and to locate the operational information we needed.

- Presentations made by Medibtikar National Focal Points (NFPs are organisations in charge of innovation in their country) during the workshops and conferences organised by the programme since April 2006. In particular, these involve the

following: i) capacity building workshops for incubators managers among which access to finance is addressed in specific modules, and ii) annual conferences in Rabat (December of 2006) and Cairo (November of 2007), where NFPs presented the innovation and SME-supporting systems in their countries.

- Existing studies, in particular the SWOT study produced during the Medibtikar programme by Patrick Crehan and Simon Jones (CKA Consultants) in 2007, and the Medintelligence study produced by Bénédicte de Saint-Laurent (ANIMA Investment Network) and Marseille Innovation in 2005.
- The Internet, in particular websites from national SME-supporting organisations and banks, international organisations and the European Commission delegations, and each financing instrument's website (where available).

In each country, the information collected has been validated by a Medibtikar local consultant.

### **ANIMA Med funds observatory**

The majority of the seed and venture capital funds described in this guide have been identified by the Med Funds observatory developed by the ANIMA Investment Network. They represent only a small fraction of the funds listed in this observatory, since the majority of investment funds focus on later stage investments (there are 40 seed or venture capital funds out of 140 investment funds targeting MEDA countries).

To develop the observatory, ANIMA distributed a questionnaire to each of the 140 investment funds identified (outside Israel) targeting MEDA countries, of which 57 fund managers responded with information on the following areas: i) management company details, ii) investment strategy, and iii) actual investments/portfolios.

In addition to the information provided within the ANIMA Med Funds observatory, Medibtikar has conducted systematic research on each of the seed and venture capital funds to identify their eligibility criteria and application processes.

### **Country visits**

Medibtikar carried out a number of visits in 2008 while preparing the finance activities of the programme, including this guide.

The following countries were visited by our experts:

- *Tunisia: January 2008*

Visited organisations: ATIC, GTZ, ACP, Tuninvest, BFPME, Sicar, Ministry of Industry and SMEs, Viveris.

- *Jordan: February 2008, including attendance at the BDC conference on SME Banking.*

Visited organisations: MFI, Foursan Group, BDC, Aventura, Kafalat (Lebanon), SABEQ, ABCD, NAFES, Empretec, ISDB, Capital Bank.

Via telephone: Queen Rania Center for Entrepreneurship<sup>9</sup>, iPark, JIC network.

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<sup>9</sup> Due to printing delays, this organisation has not yet been presented in this version of the guide's directory.

- *Morocco: March 2008*

Visited organisations: Moussahama, Maroc Invest, BMCE Bank, R&D Maroc, Upline securities, Dayam, Agram Gestion, Accès Capital Atlantique, Finergy, Finance Services Volunteer Corp.

- *Algeria: April 2008*

Visited organisations: AND-PME, ANSEJ, ANVREDET, GTZ, Finalep, Sofinance, Ministry of Industry, CGCI, Maghreb Invest.<sup>6</sup>

- *Egypt: April 2008, including attendance at the MIRA Conference.*

Visited organisations: Ministry of Finance, Ideavelloppers, Amen Bank, plus others.

- *Turkey: April 2008*

Visited organisations: Tubitak, TTGV, Kosgeb, KGF, Golden Horn Venture, LeVenture.

- *Lebanon: we did not visit the country but benefited from the contributions of Medibtikar full-time consultant there, who is a professional of the private equity industry.*

These visits allowed us to assess our results achieved through desk research, telephone interviews and collected documentations, to locate new instruments and to enrich our guide with functional updated information.

# Mapping of financing tools

## Seed and Venture Capital Funds

<ul style="list-style-type: none"> <li>▮ <b>Regional tools</b></li> <li>▮ (see page 31)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Injazat Technology Fund</li> <li>▪ Intel Capital Middle East and Turkey Fund</li> <li>▪ IT Investments Company</li> <li>▪ Malaz</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Algeria</b></li> <li>▮ (see page 37)</li> </ul>	<ul style="list-style-type: none"> <li>▪ FINALEP</li> <li>▪ Maghreb Private Equity I</li> <li>▪ Sofinance</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Egypt</b></li> <li>▮ (see page 49)</li> </ul>	<ul style="list-style-type: none"> <li>▪ IT Concord – Misr Technology Venture Capital Fund</li> <li>▪ Misr Direct Investment Fund</li> <li>▪ Technology Development Fund</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Jordan</b></li> <li>▮ (see page 59)</li> </ul>	
<ul style="list-style-type: none"> <li>▮ <b>Lebanon</b></li> <li>▮ (see page 71)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Building Block Equity Fund</li> <li>▪ Byblos Private Equity Fund</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Morocco</b></li> <li>▮ (see page 83)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accès Capital Atlantique Maroc S.A.</li> <li>▪ Agram Invest</li> <li>▪ Capital Morocco I</li> <li>▪ Dayam</li> <li>▪ Fipar Holding (groupe CDG)</li> <li>▪ Igrane</li> <li>▪ Maghreb Private Equity I</li> <li>▪ Moussahama I</li> <li>▪ Olea Capital</li> <li>▪ Sindibad</li> <li>▪ Upline Technologies</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Syria</b></li> <li>▮ (see page 103)</li> </ul>	
<ul style="list-style-type: none"> <li>▮ <b>Tunisia</b></li> <li>▮ (see page 111)</li> </ul>	<ul style="list-style-type: none"> <li>▪ ATD Sicar</li> <li>▪ Maghreb Private Equity I</li> <li>▪ Phenicia Seed Fund</li> <li>▪ Sages Capital</li> </ul>

	<ul style="list-style-type: none"> <li>▪ SODICAB</li> <li>▪ SPPI</li> <li>▪ Tuninvest Innovation SICAR</li> <li>▪ Tuninvest 4 generalist SICARs</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Turkey</b></li> <li>▮ (see page 133)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Golden Horn Ventures</li> <li>▪ iLab Venture (Access Turkey Capital Group)</li> <li>▪ IS Private Equity</li> <li>▪ Kobi Venture Capital</li> <li>▪ LeVenture</li> <li>▪ Turkven Private Equity</li> </ul>

## Guarantee Funds

<ul style="list-style-type: none"> <li>▮ <b>Algeria</b></li> <li>▮ (see page 40)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fonds de Garantie des crédits aux PME</li> <li>▪ CGCI-PME</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Egypt</b></li> <li>▮ (see page 52)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Credit Guarantee Company for Small Scale Enterprises</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Jordan</b></li> <li>▮ (see page 59)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Jordan Loan Guarantee Corp</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Lebanon</b></li> <li>▮ (see page 75)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Kafalat</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Morocco</b></li> <li>▮ (see page 96)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fond de garantie pour la création de la jeune entreprise</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Syria</b></li> <li>▮ (see page 105)</li> </ul>	<p>Information not available</p>
<ul style="list-style-type: none"> <li>▮ <b>Tunisia</b></li> <li>▮ (see page 121)</li> </ul>	<ul style="list-style-type: none"> <li>▪ SOTUGAR</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Turkey</b></li> <li>▮ (see page 142)</li> </ul>	<ul style="list-style-type: none"> <li>▪ KGF (Kredi Garanti Fonu)</li> </ul>

## Incubators and Business Angels

<ul style="list-style-type: none"> <li>▮ Algeria</li> <li>▮ (see page 42)</li> </ul>	
<ul style="list-style-type: none"> <li>▮ Egypt</li> <li>▮ (see page 52)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ideavelopers</li> </ul>
<ul style="list-style-type: none"> <li>▮ Jordan</li> <li>▮ (see page 60)</li> </ul>	<ul style="list-style-type: none"> <li>▪ ABCD (Arabian Business Consultants for Development)</li> <li>▪ iPark</li> <li>▪ Jordan Innovation Centers Network</li> </ul>
<ul style="list-style-type: none"> <li>▮ Lebanon</li> <li>▮ (see page 72)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Berytech Incubator/ Fund</li> <li>▪ Agripole Business Development Centre (Bekaa)</li> </ul>
<ul style="list-style-type: none"> <li>▮ Morocco</li> <li>▮ (see page 94)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Réseau Marocain Incubation et Essaimage (RMIE)</li> <li>▪ Maroc Entreprendre</li> </ul>
<ul style="list-style-type: none"> <li>▮ Syria</li> <li>▮ (see page 103)</li> </ul>	<ul style="list-style-type: none"> <li>▪ MAWRED</li> <li>▪ SEBC Business Incubator</li> <li>▪ Village Business Incubator</li> </ul>
<ul style="list-style-type: none"> <li>▮ Tunisia</li> <li>▮ (see page 120)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Réseau National des 19 Pépinières d'Entreprise</li> </ul>
<ul style="list-style-type: none"> <li>▮ Turkey</li> <li>▮ (see page 141)</li> </ul>	<ul style="list-style-type: none"> <li>▪ E-mbrio</li> </ul>

## Support Programmes for Funding SMEs

<ul style="list-style-type: none"> <li>▮ <b>Algeria</b></li> <li>▮ (see page 43)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Programme National de Mise de Niveau de la PME Algérienne</li> <li>▪ Programme d'appui aux PME Algériennes</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Egypt</b></li> <li>▮ (see page 54)</li> </ul>	<ul style="list-style-type: none"> <li>▪ The EU-Egypt Innovation Fund</li> <li>▪ SME Pol</li> <li>▪ Social Fund for Development</li> <li>▪ SEDO</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Jordan</b></li> <li>▮ (see page 64)</li> </ul>	<ul style="list-style-type: none"> <li>▪ EMPRETEC</li> <li>▪ Financial Operation Results</li> <li>▪ StartUp@YEA</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Lebanon</b></li> <li>▮ (see page 78)</li> </ul>	<ul style="list-style-type: none"> <li>▪ BADER</li> <li>▪ ELCIM</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Morocco</b></li> <li>▮ (see page 98)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Innov'act</li> <li>▪ Moukawalati</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Syria</b></li> <li>▮ (see page 106)</li> </ul>	<ul style="list-style-type: none"> <li>▪ SME Fund II</li> <li>▪ SME Support Programme</li> <li>▪ SYEA Ventures</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Tunisia</b></li> <li>▮ (see page 122)</li> </ul>	<ul style="list-style-type: none"> <li>▪ FOPRODI</li> <li>▪ PIRD</li> <li>▪ PNRI</li> <li>▪ RITI</li> <li>▪ VRR</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Turkey</b></li> <li>▮ (see page 144)</li> </ul>	<ul style="list-style-type: none"> <li>▪ TTGV – Start-up Support</li> <li>▪ TEYDEB</li> <li>▪ KOSGEB</li> </ul>

## Institutions and Associations

<ul style="list-style-type: none"> <li>▮ <b>Algeria</b></li> <li>▮ (see page 46)</li> </ul>	<ul style="list-style-type: none"> <li>▪ ANVREDET</li> <li>▪ ANSEJ</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Egypt</b></li> <li>▮ (see page 58)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Egyptian Investment Management Association</li> <li>▪ Egyptian Capital Market Association</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Jordan</b></li> <li>▮ (see page 68)</li> </ul>	<ul style="list-style-type: none"> <li>▪ NAFES</li> <li>▪ Queen Rania Center for Entrepreneurship</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Lebanon</b></li> <li>▮ (see page 80)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Chamber of Commerce, Industry of Beirut</li> <li>▪ CNRS</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Morocco</b></li> <li>▮ (see page 100)</li> </ul>	<ul style="list-style-type: none"> <li>▪ AMIC</li> <li>▪ ANPME</li> <li>▪ Banque Al Amal</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Syria</b></li> <li>▮ (see page 108)</li> </ul>	<ul style="list-style-type: none"> <li>▪ SEBC</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Tunisia</b></li> <li>▮ (see page 129)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Amen Bank</li> <li>▪ APRICE (under creation)</li> <li>▪ ATIC</li> <li>▪ BFPME</li> </ul>
<ul style="list-style-type: none"> <li>▮ <b>Turkey</b></li> <li>▮ (see page 147)</li> </ul>	<ul style="list-style-type: none"> <li>▪ TurkVCa</li> <li>▪ Finansbank</li> <li>▪ Hallbank</li> </ul>

# Financing instruments directory

## Regional Tools

### Seed and venture capital funds

The following funds are potentially interested in investing in projects in every country in the Middle East and North African region. With usually large amounts of money focusing on early stage investment, they are worth contacting.

### *Injazat Technology Fund*

Dubai-based USD 50 million fund launched by a subsidiary of the Islamic Development Bank, focusing exclusively on venture capital projects, in Technology, Media, and Telecoms.

#### Profile

Contact	Injazat Capital Limited Address: Suite 1 and 2, Level 4 Precinct Building 3, The Gate District, Dubai International Financial Centre, PO Box 506544, Dubai, UAE Tel.: + 971 (4) 3651500 Fax: + 971 (4) 3637324 E-mail: <a href="mailto:jsemos@injazatcapital.com">jsemos@injazatcapital.com</a> Website: <a href="http://www.injazatcapital.com">www.injazatcapital.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Islamic Corporation for the Development of the Private Sector (subsidiary of the Islamic Development Bank)</li> <li>▪ Gulf Finance House, in partnership with Dubai Islamic Bank</li> <li>▪ Saudi Economic and Development Company</li> <li>▪ Iran Foreign Investment Corporation</li> </ul>
Manager(s)	Director: Joe Semos
Type of funding	Equity: 100% venture capital
Average ticket	n/a
Business sector(s)	Technology, Media, Telecoms

#### Application process

The investment opportunity brief detailing what the company will be looking at in your business plan is available online. Download here: [http://www.injazatfund.com/inv\\_opp\\_brief.htm](http://www.injazatfund.com/inv_opp_brief.htm)

■ **Track record**

*Portfolio and exits to date*

- Atos Origin Middle East (sold to Hewlett Packard),
- Broadlink Research,
- Ducont FZ LLC,
- Ejada,
- Omnix Media Networks,
- Promedia,
- Raya Holding,
- Rubicon,
- Specialized Technical Services (STS) Group.

## *Intel Capital Middle East and Turkey Fund*

Intel invests in over 30 countries in companies complementing its technologies. Intel Capital Middle East and Turkey Fund is a USD 50 million fund. The fund is looking to make investments in companies complementing the platform and technologies of Intel and plans to expand the region's Internet and IT infrastructure. It intends to focus on investment in hardware services such as broadband infrastructure, mobile WiMAX wireless solutions, local IT service providers, content developers/providers and software solutions.

### ■ Profile

Contact	Intel Corporation/Intel Capital Proposals Address: M/S: JF3-153 2111 NE 25th Avenue Hillsboro, OR 97124, USA Fax: + 1 (503) 712 8998 E-mail: <a href="mailto:intel.capital.proposals@intel.com">intel.capital.proposals@intel.com</a> Website: <a href="http://www.intel.com/capital">www.intel.com/capital</a>
Shareholder(s)	Intel Capital
Manager(s)	n/a
Type of funding	Equity
Average ticket	n/a
Business sector(s)	Technology in mobile and broadband services, Digital health, Enterprise solutions and Consumer technologies

### ■ Application process

Submit your projects online at:

<http://www.intel.com/capital/submit.htm>

A reply should be given within four weeks.

### ■ Track record

Only known investment in the Middle East is in Orascom Telecom WiMAX Limited in 2005.

Globally, Intel Capital has made a number of well-known investments around the globe. These include Actions Semiconductor, Bellrock Media, Broadcom, CNET, CitrixSystems, Clearwire, Elpida Memory, FPT, India Infoline.com, Inktomi, Insyde Software, Integrant Technologies, Marvell, MySQL, NIIT, PCCW, Red Hat, Rediff.com, Research in Motion, Sasken, SiRF, Smart Technologies, Sohu.com, Techfaith, VA Linux, and WebMD.

## *IT Investments Company*

Large investment fund with important tickets to invest in high potential sectors (Media, Telecoms, Software and IT). Since its creation in 1999, the fund has invested about USD 41 million in 42 projects. And there is a total of nearly USD 30 million remaining for them to invest.

### ■ Profile

Contact	IT Ventures Company Address: 6 (A) Ahmed Shawky St., 12211 Giza, Egypt Tel./Fax: + 202 3573 4433 + 202 3573 4949 Tel.: + 202 3 5739985 E-mail: <a href="mailto:broshdy@it-ventures-co.com">broshdy@it-ventures-co.com</a> Website: <a href="http://www.it-investment.com">www.it-investment.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ The Arab Fund for Economic &amp; Social Development: 11.83%</li> <li>▪ M.Z. Investment Limited: 11.67%</li> <li>▪ Choice Limited (UK): 10.24%</li> <li>▪ National Bank of Egypt: 9.33%</li> <li>▪ Al-Wattany Bank of Egypt: 9.33%</li> <li>▪ Al-Ahram Investment Company: 9.33%</li> <li>▪ 10 other shareholders</li> </ul>
Manager(s)	Chairman: Dr. Hisham El-Sherif Investment officer: Basel Hussein Roshdy
Type of funding	Equity, 33% of the fund spent in seed capital projects, 33% in venture capital, 33% in growth capital.
Average ticket	Up to USD 7.43 million
Business sector(s)	IT, High tech

### ■ Application process

Contact the company.

### ■ Track record

28 exits to date. 14 companies currently in portfolio.

## Malaz

A USD 100 million fund, Malaz Group is an early- to mid-stage venture capital firm that works on the principle of teamwork. This teamwork involves their partners, the entrepreneur, and financial investors.

### Profile

Contact	Malaz Group Address: P.O. Box 66633, 11546 Riyadh Kingdom of Saudi Arabia Tel.: + 966 1 460 1644 Fax: + 966 1 460 0143 E-mail: <a href="mailto:aalsari@malazgroup.com">aalsari@malazgroup.com</a> <a href="mailto:ajazar@malazgroup.com">ajazar@malazgroup.com</a> Website: <a href="http://www.malazgroup.com">www.malazgroup.com</a>
Shareholder(s)	n/a
Manager(s)	Mr Ahmad al Sari; Mr Abdelaziz Jazar
Type of funding	Equity, 33% of the fund spent in seed capital projects, 33% in venture capital, 33% in growth capital
Average ticket	USD 100 000 to USD 1 million
Business sector(s)	Preferably ICT

### Application process

Contact the company. Malaz evaluates its investment opportunities according to the following criteria.

- The target markets, potential leading market position.
- Companies that place their main target markets in the Middle East.
- Entities with a multiple stream of products.
- Management is capable of executing its business plan and possesses the appropriate balance of entrepreneurial and managerial skills.

### Track record

A total of seven companies in their portfolio, mostly IT and Telecoms, or consulting in that field, except for one in chemical analyzer manufacturing, and one in insurance.



# Algeria

## Seed and venture capital funds

### *FINALEP*

Finalep is a private equity company investing its own assets. They have invested USD 1.95 million so far. The company is open to managing third parties' funds.

#### ■ Profile

Contact	<p>Finalep          Address: Route Nationale n°11, Staoueli, Algiers          Tel.: +213 21 39 34 94 - 96          Fax: +213 21 39 20 20          E-mail: <a href="mailto:finalep@wissal.dz">finalep@wissal.dz</a>          Website: <a href="http://www.finalep.com.dz">www.finalep.com.dz</a></p>
Shareholder(s)	4 shareholders including local financial institutions, Proparco and EIB
Manager(s)	General Director: Kamel Eddine Bouatouata
Type of funding	Minority (20% to 35%) equity shares, 66% in venture capital projects
Average ticket	Up to USD 0.82 million
Business sector(s)	No sector focus

#### ■ Application process

Contact the company.

#### ■ Track record

There are 4 exits to date. 7 companies in portfolio.

## *Maghreb Private Equity I*

Launched in 2000, this fund of EUR 15.1 million is focused on Maghreb countries for which it is dedicating 38% of its investment in venture capital (the rest for growth and LBO). It is managed by Tuninvest through its subsidiary Maghreb Management Ltd.

### ■ Profile

Contact	Maghreb Management Limited Address: Immeuble Iris, Rue du Lac Malaren, Tunis Contact: Anis Fathallah Tel./Fax: +216 71 862 311 E-mail: <a href="mailto:anis.fathallah@tuninvest.com">anis.fathallah@tuninvest.com</a> Website: <a href="http://www.tuninvest.com">www.tuninvest.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Averroès Finance: EUR 3,320,000 - 22%</li> <li>▪ IFC: EUR 3,250,000 - 21,6%</li> <li>▪ BEI: EUR 3,250,000 - 21,6%</li> <li>▪ FMO: EUR 1,950,000 - 12,9%</li> <li>▪ SECO: EUR 1,950,000 - 12,9%</li> <li>▪ Natexis: EUR 1,364,280 - 9%</li> </ul>
Manager(s)	Aziz Mebarek
Type of funding	38% venture capital, 46% growth capital, 16% LBO
Average ticket	Maximum of EUR 3 million of minority shares (20% maximum)
Business sector(s)	No sector focus; investments in Algeria, Morocco, Tunisia

### ■ Application process

Contact Maghreb Management Ltd.

General rules at Tuninvest for selecting investments:

- validation of the management team, its technological and management capacities, its capacities in regard to the project;
- understanding of the technology and its market;
- knowledge of competition and its rules within the sector;
- awareness of strengths and weaknesses of the project;
- capacity of the project to grow and evolve;
- clear exit strategy.

### ■ Track record

The fund has been wholly invested in 13 companies.

## Sofinance

The Société Financière d'Investissement, de Participation et de Placement was established on 4 April 2000 with the authorisation of the Bank of Algeria. Its capital is DZD 5 billion (approximately EUR 50.67 million).

### Profile

Contact	Avenue Mohamed Belkacemi, Ravin de la femme Sauvage, Les Annassers, Algiers Tel.: + 213 ( 0 ) 21 47 66 00 to 03 Fax: + 213 ( 0 ) 21 47 66 30 Website: <a href="http://www.sofinance-dz.com">www.sofinance-dz.com</a>
Manager(s)	General Director: M. Larbi
Type of funding	Private equity in companies that are new, under development or being reorganised. Usually takes 10% to 35% of total equity. Investment lasts 3 to 5 years. Exit usually through IPO. Also: credits, guaranties, partners' accounts
Average ticket	n/a
Business sector(s)	Agri-food, Manufacturing activities (wood, textile), Mining (stone, marble, salt), Sub-contracting in the Mechanical Industry, Electronics, Telecoms, Real Estate, Water production and distribution for consumers and agriculture, Waste management

### Application process

#### Eligible companies

- stock companies (Sociétés par Actions – SpA);
- commercial feasibility;
- managerial and technical competencies of the promoters;
- partner input (30% to 40% of the investment cost);
- project profitability.

#### Application

A five-year business plan, a technical and trade study, articles of association, property documents, etc.

### Track record

#### Investment commitments in 2005:

- Private equity: DZD 606.4 million (EUR 6.13 million);
- Leasing: DZD 1.513 million (EUR 15.3 million);

- Commitments signed: DZD 406.8 million (EUR 4.12 million).

*Some closed operations:*

- G.I-RFS: Business buildings
  - Type: creation;
  - Total equity: DZD 100,000,000;
  - Sofinance commitment: DZD 35,000,000.
- SALEM LEASING – Financing institution
  - Type: Capital increase;
  - Total equity: DZD 1,650,000,000;
  - Sofinance commitment: DZD 350,000,000, 21% equity.
- SMPCA - Société Maghrébine de Production de Sulfate d'Alumine
  - Creation project in partnership with Tunisian and Algerian partners: DIPROCHIM (EPE – Algeria), SOFINANCE (EPE – Algeria), COSME COMPANY (Private – Algeria), STPA & Cie (Private – Tunisia).
- DELYPRO – Real estate
  - Type: creation;
  - Total equity: DZD 972,000,000;
  - Sofinance commitment: DZD 210,000,000, 22% equity.

## Guarantee funds

### *Fonds de Garantie des crédits aux PME*

The FGAR guarantee is a state programme supporting SMEs in the financing of their start or development. The financial aid is a credit guarantee covering part of the (possible) loss incurred by the financial institutions delivering loans.

#### ■ Profile

Contact	166 Lotissement SAÏDOUN Mohamed Kouba, Algiers Tel.: + 213 21 29 78 88 + 213 21 28 04 24 Fax: + 213 21 28 29 17 E-mail: <a href="mailto:info@fgar.dz">info@fgar.dz</a> Website: <a href="http://www.fgar.dz">www.fgar.dz</a>
Shareholder(s)	State owned – under SME and Craft Ministry
Manager(s)	General Director: M. Djebbar
Type of funding	Credit guarantee for term loans. The FGAR reimburses 50% to 80% of the net loss of the lending institution.
Average ticket	Guaranteed amounts between EUR 40,400 and EUR 252,600. Maximum duration is 7 years (with the possibility of extending for 12 months).
Business sector(s)	Manufacturing activities

#### ■ Application process

##### *Eligible companies*

- manufacturing companies, excluding trading activities
- priority given to SMEs:
  - targeting the manufacturing of products or services unavailable in Algeria;
  - resulting from high-value addition;
  - leading to a decrease of imports in Algeria;
  - leading to an increase of exports from Algeria;
  - allowing the use or the transformation of Algerian natural resources or raw material;
  - with an efficient “financed amount”/“jobs created” ratio;
  - using graduated work force from the "centres de formations des métiers", technical schools and universities;
  - settling in regions with higher unemployment rates;

- leading to the development of new competencies or know-how, especially in the new economy;
- that are innovative, through their technology or their know-how.

*Application*

A detailed FGAR formatted business plan. The FGAR will value the financial structure of the company, its management and personnel in the view of future profitability and competitiveness.

The entrepreneur must bring in 30% of the financing requirements.

*Cost*

- A 0.5% commission of the credit amount, for due diligence cost. This commission is refunded if the demand is rejected.
- A commitment commission (eventually added to the credit for refinancing) of 1.5% of the credit.

■ **Track record**

206 guarantees given in September 2007 (in regard to the 300,000 SMEs in Algeria), for DZD 5.2 billion.

## ***CGCI-PME***

Created in mid-2006, the long awaited Caisse de Garantie de Crédits et d'Investissements des PME is aimed at facilitating access to funding from Algerian companies. After 1 year, the institution released 22 guarantees and was considering 41 more applications. It has DZD 20 billion in assets.

■ **Profile**

Contact	n/a
Shareholder(s)	60% national treasury, 40% public banks
Manager(s)	General Director: Ammar Daoudi
Type of funding	Credit guarantee for loans
Average ticket	n/a
Business sector(s)	n/a

■ **Application process**

n/a

■ **Track record**

22 guarantees given in September 2007 for a total of DZD 544.3 million.

## **Incubators and Business Angels**

So far we have not identified incubators providing funds to hosted companies, or supporting them in accessing finances.

## Support programmes for funding SMEs

### *Programme National de Mise à Niveau de la PME Algérienne*

The objective of the programme is the improvement of Algerian SMEs' competitiveness, the maintenance of their market shares and their international expansion. The programme features some funding possibilities. This programme was supposed to end on 31 December 2007, but an addendum is underway.

#### ■ Profile

Contact	Agence Nationale de Développement de la PME (AND-PME)/Ministère de la Petite et Moyenne Entreprise et de l'Artisanat 2, Rue Ahmed Bey, Immeuble le Colisée, Algiers Tel.: +213 21 23 00 81 +213 21 23 05 63 Fax: +213 21 23 00 94 E-mail: <a href="mailto:info@pmeart-dz.org">info@pmeart-dz.org</a> Website: <a href="http://www.pmeart-dz.org">www.pmeart-dz.org</a>
Shareholder(s)	State programme
Manager(s)	n/a
Type of funding	<ul style="list-style-type: none"> <li>▪ Global strategic diagnostic: 100% funded up to DZD 0,6 million per SME (approximately EUR 6,000)</li> <li>▪ Immaterial investment: 100% funded</li> <li>▪ Material investment: 20% funded</li> <li>▪ Subsidies to hire 1 specialised member of staff for a duration of 2 years for competitiveness improvement</li> <li>▪ Support to ISO 9001-2000 certification: up to DZD 1.2 million per SME (approximately EUR 12,300)</li> </ul>
Average ticket	Maximum funding is DZD 5 million per SME (approximately EUR 51,500)
Business sector(s)	Sectors with growth potential

#### ■ Application process

##### *Eligible companies*

- Algerian companies registered for two years;
- SMEs, whatever the legal structure;
- companies who have reached the break-even point;
- companies with export potential for their products and services;

- companies with growth potential, or technology development criteria;
- companies representing potential in new sustainable jobs' creation.

*Application*

Applications are submitted to the AND-PME with the following files:

- ad hoc presentation of the company (form provided by AND-PME);
- Registry of Commerce copy;
- presentation document including the following:
  - development project for the company (export markets, technology investment, norms compliance, etc.);
  - objectives and expected results for the demanded upgrade.

Once selected, the company may benefit from the upgrading scheme funding, after presenting the following files to AND-PME:

- a demand;
- the project sheet;
- the report for the strategic global diagnostics;
- the bank agreement, where necessary;
- the adoption of the upgrading programme by the AND-PME.

The funds are then given in three steps:

- after the realisation of a minimum of 40% of the eligible investment;
- after the realisation of a minimum of 70% of the eligible investment;
- after completing the upgrading scheme.

## *Programme d'appui aux PME Algériennes*

This programme from the European Commission also supports the upgrading of the economy. The programme experts conduct diagnostics and support SMEs in improving their competitiveness. More specifically on the topic of financing companies, the programme has set up partnership agreements with credit guarantee organisations in Algeria to help SMEs in financing their upgrading actions. On the model of counter guarantees, the programme can cover the risk of the guarantee fund working with SMEs.

### **Profile**

Contact	EDPme 3 rue des frères Aissiou, BP 540, Ben Aknoun, Algiers Tel.: + 213 021 91 61 91 + 213 021 91 63 59 + 213 021 91 63 60 Fax: + 213 021 91 63 68 E-mail: <a href="mailto:info-edpme@ugp-pme.org.dz">info-edpme@ugp-pme.org.dz</a> Website: <a href="http://www.edpme.org">www.edpme.org</a>
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Shareholder(s)	EU-funded programme
Manager(s)	Manager: Olivier De Velp
Type of funding	<ul style="list-style-type: none"> <li>▪ Upgrading schemes (grants)</li> <li>▪ Counter guarantees for upgrading credits</li> </ul>
Average ticket	n/a
Business sector(s)	Industry or Industry services

## ■ Application process

### *Eligible criteria*

- private companies only;
- must be from the industrial sector or in the service of industry;
- must have been in existence for a minimum of three years;
- must employ at least 20 permanent staff;
- must be registered in terms of tax and social administration.

### *Application*

To apply, SMEs must contact their regional office. The list is available on the website or through EDPME, the manager of the programme.

Once the criteria for eligibility are met, an expert from the regional office visits the company to meet the company manager and explain the services available in this programme, the procedures they must comply with, and the administrative documents they must provide, including:

- commitment sheet;
- accounts and balance for the last three years;
- tax certificate;
- commerce registration certificate;
- pre-financing cheque for the first upgrading mission.

## ■ Track record

During the first phase of this programme, 445 SMEs were supported. During this phase, the programme benefited mainly agrifood companies (29%), public works (11%), chemical and pharmaceutical companies (18%), and the ceramics and metallurgy industry (10%).

The new programme is expected to focus on craftwork and services, and specifically their upgrade in terms of ICT.

In terms of guarantee for credits, 66 SMEs have benefited from the programme's support in obtaining a loan through a guarantee fund.

## Institutions and associations

### *ANVREDET*

The Agence Nationale de la Valorisation de la Recherche et du Développement Technologique is the national innovation agency in Algeria, whose objective, beside the distribution of subsidies to inventors, is the promotion of partnerships between universities, research labs and enterprises. It also works with the Universities' incubators.

#### ■ Profile

Contact	Address: 128, Chemin Mohamed Gacem, El Madania, Algiers Tel.: + 213 021 27 78 90 Fax: + 213 021 27 79 44 + 213 021 27 78 86 E-mail: <a href="mailto:info@anvredet.org.dz">info@anvredet.org.dz</a> Website: <a href="http://www.anvredet.org.dz">www.anvredet.org.dz</a>
Shareholder(s)	State agency
Manager(s)	General Director: Mohammed Taibi
Type of funding	Subsidise inventors for the realisation of prototypes, market studies, research of partners, and most of the time, patent costs.
Average ticket	n/a
Business sector(s)	Nature Sciences and Biotechnologies; Housing, Urbanism, Land Use and Environment; Technologies and Energy; Social and Human Sciences

#### ■ Application process

Contact ANVREDET.

## ANSEJ

The National Agency for Support to Youth Employment (ANSEJ) develops measures to help young entrepreneurs in developing micro-companies.

### ■ Profile

Contact	Address: 8, rue Arezki Benbouzid, Les Annassers, Algiers Tel.: + 213 021 67 82 08/ 18/ 35/ 36/ 39/ 61 Fax: + 213 021 67 75 74/ 87 E-mail: <a href="mailto:ansej.dg@gmail.com">ansej.dg@gmail.com</a> Website: <a href="http://www.ansej.org.dz">www.ansej.org.dz</a>
Shareholder(s)	State agency
Manager(s)	General Director: Fatima Sedaoui
Type of funding	Free loans with colaterals and tax exemptions
Average ticket	<ul style="list-style-type: none"> <li>▪ Projects from DZD 2 to DZD 10 million</li> <li>▪ 20% to 25% in free loans financed by ANSEJ</li> <li>▪ 70% to 72% in loans by the bank</li> <li>▪ 5% to 10% colateral financed by the promoter</li> <li>▪ If no bank support, 75% to 80% financed by the promoter</li> </ul>
Business sector(s)	No sector focus

### ■ Application process

1. Application submitted to ANSEJ:
  - administrative application (11 certificates or declarations to obtain),
  - technical application (pro-format invoices of the goods to finance, technical study and financial study);
2. If accepted, application submitted to banks for co-financing.
3. When accepted by a bank, new application at ANSEJ with proof of acceptance and colaterals financing.
4. Obtaining of the loan and start of the activity.
5. Proof of activity by ANSEJ and security on assets transferred to ANSEJ.
6. Granting of tax exemption.

# Egypt

## Seed and venture capital funds

### *IT Concord – Misr Technology Venture Capital Fund*

This USD 18.54 million fund (with over USD 5 million subscribed to date) started in 2000. Their philosophy is to invest and promote IT and telecommunications projects in Egypt at the start-up and existing/turnaround stages. The company will maintain a maximum of 30 companies in its portfolio.

#### Profile

Contact	IT Ventures Address: 6 A Ahmed Shawky Street, Giza Tel.: + 202 3 5739985 Fax: + 202 5734949 E-mail: <a href="mailto:hsherif@it-ventures-co.com">hsherif@it-ventures-co.com</a> Website: <a href="http://www.it-investment.com">www.it-investment.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ IT Investments 53.6%</li> <li>▪ Bank Misr Fund II 35.7%</li> <li>▪ Concord Mutual Funds 10.7%</li> </ul>
Manager(s)	Chairman: Dr. Hisham El Sherif
Type of funding	Equity, 33% of the fund spent in seed capital projects, 33% in venture capital, 33% in growth capital
Average ticket	n/a
Business sector(s)	IT, High tech

#### Application process

The fund is under liquidation.

#### Track record

The group has shares in Tiba-CITE Group, E-Knowledge, CompuMe, WorldTel Middle East and Africa Limited (WTMEA), VIP Tone, and LearnCity.

## *Misr Direct Investment Fund*

MDIF invests in Egyptian telecommunications projects at the start-up and existing/turnaround phases.

### ■ Profile

Contact	IT Ventures Address: 6 A Ahmed Shawky Street, Giza Tel.: + 202 3 5739985 Fax: + 202 5734949 E-mail: <a href="mailto:hsherif@it-ventures-co.com">hsherif@it-ventures-co.com</a> Website: <a href="http://www.it-investment.com">www.it-investment.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ IT Investments 43%</li> <li>▪ ADI investors 57%</li> </ul>
Manager(s)	Chairman: Dr. Hisham El Sherif
Type of funding	Equity, 33% of the fund spent in seed capital projects, 33% in venture capital, 33% in growth capital
Average ticket	n/a
Business sector(s)	Telecoms

### ■ Application process

The fund is under liquidation.

### ■ Track record

MDIF has investments in a number of IT Investments subsidiaries, including Telcomedia, Matrix Media, D-WAN and PT Trust.

## *Technology Development Fund*

This USD 9 million fund is fully subscribed and closed to liquidation (invested at 8.62 million). It is co-managed by EFG Hermes and the Pyramid Smart Village incubator Ideavelopers. The fund offers Venture Capital financing to selected start-ups. The financial contribution is injected into the selected companies primarily against shares in such companies, and thus the Fund becomes a full partner in the new company. The fund offers some services to the invested companies: strategic planning financial planning, partner identification, management consulting, and legal counselling. The fund can support invested companies in joining the incubator Ideavelopers.

### ■ Profile

Contact	The Technology Development Fund Address: Building B115, Smart Village, Cairo-Alex Desert Road Tel.: +202 3539 2102/4/6 Fax: +202 3539 2136 E-mail: <a href="mailto:ahmad@ideavelopers.com">ahmad@ideavelopers.com</a> ; <a href="mailto:malawany@efg-hermes.com">malawany@efg-hermes.com</a> Website: <a href="http://www.techdevfund.com">www.techdevfund.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Telecom Egypt</li> <li>▪ Commercial International Investment Company</li> <li>▪ Faisal Islamic Bank</li> <li>▪ Misr Iran Development Bank</li> <li>▪ Misr Insurance</li> <li>▪ Egypt Reinsurance</li> <li>▪ Al Chark Insurance</li> </ul>
Manager(s)	Ahmad Gomaa, CEO - Ideavelopers
Type of funding	Equity, 50% of the fund spent in seed capital projects, 50% in venture capital
Average ticket	USD 600,000
Business sector(s)	Telecom and internet operators

### ■ Application process

From evaluation to due diligence and investment, the process takes 6 to 12 weeks.

You can download questionnaires and application files from the company website, in the section "Strategy/How to Apply".

### ■ Track record

There is 1 exit, and 13 companies in the portfolio (see the company website).

## Incubators and Business Angels

### *Idevelopers*

Idevelopers was established to assist information technology-oriented entrepreneurs – whether individuals or early-stage companies – in building viable, sustainable and profitable businesses. It offers technical and financial assistance to help create a driving force for future economic growth. It was initiated by Egypt's Ministry of Communications and Information Technology in collaboration with Egypt's largest investment house, Commercial International Investment Company (CIIC)/EFG – Hermes.

#### ■ Profile

Contact	Idevelopers/Tech Dev Fund Address: B5, Incubation Center Smart Village, Cairo-Alex Desert Road Abu Rawash, Giza Tel.: + 202 5345010/1/2 Fax: + 202 5392136 E-mail: <a href="mailto:Info@idevelopers.com">Info@idevelopers.com</a> Website: <a href="http://www.idevelopers.com">www.idevelopers.com</a>
Shareholder(s)	State incubator
Manager(s)	CEO: Ahmad Gomaa
Type of funding	Equity, generally through Technology Development Fund (see details in the "Funds" section)
Average ticket	USD 600,000 with TDF
Business sector(s)	ICT

#### ■ Application process

Applications and executive summaries can be submitted on the website, using the "Entrepreneurs/Application" section, or by mail. A business plan is required if the application is accepted for consideration and goes through the Project Appraisal Committee.

## Guarantee funds

### *Credit Guarantee Company for Small Scale Enterprises*

An Egyptian, private, joint-stock company established in December 1989 under the provision of law 159/1981. There are now 34 banks under contract with CGC, including shareholders, with more than 1,000 branches scattered all over the country.

#### ■ Profile

Contact	CGC Address: 8, Abdel Khalek Tharwat St., 11511 Cairo Tel.: + 202 5740401 Fax: + 202 5756463 + 202 5780212 E-mail: <a href="mailto:cgc@cgcegypt.com">cgc@cgcegypt.com</a> Website: <a href="http://www.cgcegypt.com">www.cgcegypt.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ National Bank of Egypt 18.8 %</li> <li>▪ Bank of Cairo 9.09 %</li> <li>▪ Bank of Alexandria 9.09 %</li> <li>▪ Industrial Development Bank of Egypt 9.09%</li> <li>▪ Misr Iran Development Bank 9.09 %</li> <li>▪ Arab Investment Bank 9.09 %</li> <li>▪ Suez Canal Bank 9.09 %</li> <li>▪ Société Arabe Internationale des Banques 9.09%</li> <li>▪ Credit Agricole Indosuez (Egypt) 9.09 %</li> <li>▪ Al Charq Insurance Company 9.09 %</li> </ul>
Manager(s)	n/a
Type of funding	<ul style="list-style-type: none"> <li>▪ Guarantee: 70% of the approved loan with a maximum guarantee of EGP 800,000 (no collateral required)</li> <li>▪ Loan term: from 6 months to 5 years</li> </ul>
Average ticket	Loans: from EGP 20,000 to EGP 1.4 million
Business sector(s)	No sector focus

#### ■ Application process

##### *Eligibility criteria*

Existing, eligible, creditworthy start-ups and small businesses. All economic projects with a total investment ranging from EGP 40,000 to EGP 10 million.

## Support programmes for funding SMEs

### *The EU-Egypt Innovation Fund*

A key component of the Egyptian government's RDI (Research Development and Innovation) Programme is to establish an Innovation Fund aiming to support research outputs, exploitation and innovation with closer links to national or European industries. The Fund will support projects on a competitive basis for applied research, with an emphasis on innovation. The EU granted EUR 11 million to the RDI initiative. The EU-Egypt Innovation Fund will provide grants to cooperative projects that aim at enhancing the innovative capabilities of industrial companies and notably privately owned SMEs.

#### ■ Profile

Contact	
Shareholder(s)	State programme
Manager(s)	
Type of funding	Grants
Average ticket	
Business sector(s)	Technical innovation

#### ■ Application process

To be granted, project proposals must be submitted by a consortium that consists of at least one partner from the industrial sector and one partner from the R&D sector (university and/or non-university). Applications and funding of large-size projects will be encouraged, as will those projects including an EU and/or MEDA partner from the industry or research sector. Applicants can be natural persons or legal persons and be directly responsible for the preparation and management of the project together with their partners. The subject areas of the projects proposals will be open, provided that the proposal clearly addresses technological innovation within the enterprise(s) being member(s) of the consortium (such as the development of a prototype, a production-line stage or other such topics).

## ***Social Fund for Development (SFD)***

The SFD was launched in 1991 as a social and economic safety net in the context of liberal economic reforms. The outreach of the programme is wide but it has a strong focus on enterprise development, especially SMEs.

### **Profile**

Contact	Address: 120 Mohi El Din Abu El Ezz St., Dokki, Giza Tel.: + 202 33 364 842 + 202 33 364 873 + 202 33 364 371 Fax: +202 33361985 See regional offices here: <a href="http://www.sfdegypt.org/offices.asp">www.sfdegypt.org/offices.asp</a> E-mail: <a href="mailto:mailmaster@sfdegypt.org">mailmaster@sfdegypt.org</a> Website: <a href="http://www.sedo.org">www.sedo.org</a>
Shareholder(s)	State programme sponsored by international partners including the Arab Fund for Social and Economic Development, the Kuwait Fund for Arab Economic Development, the EU and the UNDP
Manager(s)	Hany Seif El Nasr
Type of funding	Mainly loans (depending on situation, up to EGP 1 million with equity participation of entrepreneurs ranging from 10% to 40%)
Average ticket	n/a
Business sector(s)	No sector focus

### **Application process**

*Contact the SFD to learn more about the project selection criteria.*

SFD funding passes through through financial intermediaries, such as banks or local authorities, before being dispatched to micro and small enterprises. Potential applicants are to be found among the following: new graduates, small entrepreneurs, those that are unemployed, and women.

### **Track record**

From 1992 to 2003, the SFD supported 191,256 enterprises, granting them some EGP 4 billion in loans and creating 720,000 jobs.

## ***SME Pol***

Worth being contacted. The project management of SME Pol is currently studying the development of a new Venture Capital fund dedicated to SMEs. We advise entrepreneurs to follow up closely on this project. The Small, Medium and Micro Enterprise Policy Development Project (SME Pol) has been developed in collaboration between the Ministry of Finance (MoF), the Canadian International Development Agency (CIDA) and International Development Research Centre (IDRC) to support Egypt's transition toward a market economy, by assisting the Government to improve the policy environment for M/SME development. This seven-year project aims at assisting the Ministry in the development of SME policies and legislation. One of the Policy areas involves developing a National Policy Framework and Access to Finance for SMEs.

### **Profile**

Contact	Ministry of Finance Address: 1 Bostan St., Tahrir Square, Cairo Tel.: + 202 25789129 + 202 25789443 Fax: + 202 27730139 Mob.: +202 0101020067 E-mail: <a href="mailto:maziz@sme.gov.eg">maziz@sme.gov.eg</a> Website: <a href="http://www.sme.gov.eg">www.sme.gov.eg</a>
Shareholder(s)	n/a
Manager(s)	Mohamed Abdel Aziz Youssef
Type of funding	At least equity for venture capital projects
Average ticket	n/a
Business sector(s)	n/a

## ***Small Enterprise Development Organization (SEDO)***

SEDO is a component of the Social Fund for Development (SFD). It aims at providing every possible assistance to SMEs and consequently, SFD allocates about 50% of its resources for that purpose. The Organization develops various funding mechanisms and upgraded technical support systems.

### ■ Profile

Contact	Address: 120 Mohi El Din Abu El Ezz St., Dokki, Giza See regional offices here: <a href="http://www.sfdegypt.org/offices.asp">www.sfdegypt.org/offices.asp</a> E-mail: <a href="mailto:mailmaster@sfdegypt.org">mailmaster@sfdegypt.org</a> Website: <a href="http://www.sedo.org">www.sedo.org</a>
Shareholder(s)	State programme
Type of funding	Mainly loans
Average ticket	Maximum of the loan per enterprise is EGP 500,000
Business sector(s)	No sector focus

### ■ Application process

Please visit <http://www.sedo.org/loans.asp> and follow the procedure set out.

#### *Eligibility criteria*

- The applicant should be between 21 and 55 years old. If the applicant is over the age of 55, the bank may request an insurance policy.
- The applicant's permanent residence should be in the Governorate where the project will be implemented for loans of less than EGP 50,000.
- The applicant must have completed their military service or have an exemption of at least five years' duration.
- If the applicant does not have formal qualifications, he or she must hold a Literacy certificate.
- The applicant should not be a student in one of the institutes, university, faculties or schools.
- The applicant should not be an employee in the government, the public or the private sector; otherwise, he/she should sign a pledge to resign and also to transfer his social insurance policy to that of an employer, should the loan application be successful.
- The applicant or one of the partners should have adequate experience in the relevant field of the enterprise. If the applicant has no formal qualifications, an experience certificate issued by the Directorate of Employment and Training that measures skill level is required.

## Institutions and associations

### *Egyptian Investment Management Association*

The Egyptian Investment Management Association (EIMA) is an Egyptian Professional Association that was established in 2000 to represent Asset and Investment Management companies active in the Egyptian Capital Market. EIMA has been designated by the Egyptian Capital Market Authority (CMA), the SRO responsible for establishing standards of conduct for Asset Managers in Egypt and to help resolve disputes related to the application of these standards. The broader objectives of EIMA are to encourage the increase in national savings through the regulated financial markets in Egypt.

#### ■ Profile

Contact	Website: <a href="http://www.eima.org.eg">www.eima.org.eg</a>
Member(s)	<ul style="list-style-type: none"> <li>▪ ABN – Delta Amro Portfolio Management</li> <li>▪ Arab Investment Company</li> <li>▪ Al Ahly for Development and Investment</li> <li>▪ Al Ahly Funds Management Co.</li> <li>▪ Banque Misr</li> <li>▪ Bank of Alexandria</li> <li>▪ Beltone Asset Management</li> <li>▪ Cairo Capital Group</li> <li>▪ Concord International Investments</li> <li>▪ Commercial International Bank</li> </ul>

### *Egyptian Capital Market Association*

Founded in 1996, the Egyptian Capital Market Association (ECMA) provides a forum for debate among its members, as well as among its members and other partners in the Egyptian securities industry. ECMA provides valuable inputs to the drafting of laws, rules and regulations that govern the Egyptian capital market. ECMA provides a training vehicle for market practitioners with the main goal of certifying securities brokers or dealers for licensing.

#### ■ Profile

Contact	Arkadia Bldg., Nile Corniche Residential Tower (A), 1st floor– Apt. (11 A) Boulak, Cairo Tel.: + 202 2576 4440 Fax: + 20 2579 6976 Website (under construction): <a href="http://www.ecma.org.eg">www.ecma.org.eg</a>
Manager(s)	Mr. Sameh Sabbour, Executive Director

# Jordan

## Seed and venture capital funds

The ANIMA Med Funds observatory has identified five investment funds in Jordan, all focusing on growth capital and LBO projects: the Jordan Fund, Foursan Capital Partners I, the Emerging Markets Housing Fund, Jordan Dubai Capital, and the Jordan IT Fund.

There is no investment fund focusing on seed capital or venture capital in Jordan at the moment. The Foursan Group was started as a VC fund, but the opportunities of interesting small projects were scarce according to the founder, and the transaction costs too high for small investments, so it became a PE fund, with a very limited portfolio of large investments

But a project with JEDCO (Jordan Enterprise Development Corporation) as a partner backed by EIB is on its way. The project allocates EUR 30 million for VC funds and EUR 10 million for early-stage and start-up funds. This information has been provided by Ms Maura Moore (Irish VC - Aventura) who acts as a consultant on the project.

Her contact details are below should you wish to follow up on this new fund:

Ms Moore, Director, Aventura (VC Fund), Ireland

Tel.: (353) 87 2386173

E-mail: [mmoore@aventura.ie](mailto:mmoore@aventura.ie)

## Guarantee funds

### *Jordan Loan Guarantee Corp.*

Their mission is to enhance sustainable economic growth in Jordan through improving the credit environment available to economically viable SMEs and national exports by providing them with credit and loan guarantees.

#### Profile

Contact	Amman Chamber of Commerce Building Al Shmeisani - Prince Shaker Ben Zaid Street P.O. Box 830703, 11183 Amman Tel.: + 962 (6) 5625400 Fax: + 962 (6) 5625408 E-mail: <a href="mailto:mail@jlgc.com">mail@jlgc.com</a> Website: <a href="http://www.jlgc.com">www.jlgc.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Central Bank of Jordan: 47.75%</li> <li>▪ Commercial Banks: 23.66%</li> </ul>

## Funding Start-ups and SME Innovation

	<ul style="list-style-type: none"> <li>▪ Private Companies: 6.55%</li> <li>▪ Governmental and Semi-Governmental Institutions: 8.49%</li> <li>▪ Individuals: 13.55%</li> </ul>
Manager(s)	Chairman: Mr. "Moh'd Said" Ibrahim Shahi
Type of funding	Guarantees for loans
Average ticket	<ul style="list-style-type: none"> <li>▪ 75% guarantee of outstanding balance for all types of loans up to JOD 40,000</li> <li>▪ 50% guarantee on loans in the range of JOD 40,000 to JOD 100,000</li> <li>▪ Loans in excess of JOD 100,000 may be partially guaranteed</li> <li>▪ Loan period cannot exceed 6 years, including a 1-year maximum grace period</li> </ul>
Business sector(s)	Productive sectors

### ■ Application process

#### *Eligibility*

Guarantees are provided for small and medium-sized productive projects, owned by the private sector in Jordan, with a labour force not exceeding 50 employees.

#### *Application*

See the "How to apply" section on the website.

### ■ Track record

Examples of loans for SMEs:

- Rubina Studio (Photography development, eight persons, new equipment);
- Al Zaytouneh Al Mubarakah for the Manufacturing of Food Ltd (Agrifood, 34 persons, loan for a new production line).

## Incubators and Business Angels

### *ABCD (Arabian Business Consultants for Development)*

ABCD is a consulting firm offering business services to entrepreneurs starting out and early-stage companies. However we advise that innovative entrepreneurs be introduced to its chairman Mr Laith Al-Qasem, who has a great deal of experience in start-up support and fundraising. Mr Al-Qasem managed one of the first Jordan incubators, the Jordan Technology Group, which invested in 19 start-ups, but is no longer operational. ABCD is also involved in many national and international initiatives through their CEO. Mr Al Qasem also acts as Productivity Component Leader for SABEQ (see our "Support Programmes for Funding SMEs" section) and is a member of the Young Entrepreneurs Association. Therefore, his personal network and experience would be a valuable asset for a start-up or an innovative company.

Moreover, consulting companies working for start-ups might propose creative ways to cash their fees. It is an option to propose return on equity.

#### ■ Profile

Contact	Arabian Business Consultants for Development P. O. Box 930666, 11193Amman Tel.: + 962 6 5659500 Fax: + 962 6 5659501 E-mail: <a href="mailto:info@abcd.com.jo">info@abcd.com.jo</a> Website: <a href="http://www.abcd.com.jo">www.abcd.com.jo</a>
Shareholder(s)	n/a
Manager(s)	Chairman: Laith Al-Qasem
Type of funding	To be discussed
Average ticket	n/a
Business sector(s)	Media, Technology, Telecoms, IT, Music

#### ■ Application process

Contact the company.

#### ■ Track record

Clients and mentored companies:

- Applied Solutions and Knowledge Management Experts (ASKME), EPS, MENA IT, Mobile Information Technology, SPOTALENT.
- ABCD, also work for NAFES (see our section "Institutions and Associations").

## *iPark*

The iPark ICT Business Incubator is the main incubator in Jordan, established under the HCST (Higher Council for Science and Technology). The HCST is said to have allocated a state-of-the-art building, fully equipped with communications and networking facilities, furniture, IT equipment and logistical support services to this incubator based in Amman. It is close to Princess Sumaya University for Technology, the University of Jordan, and it enjoys access to the logistical, technology, and development resources of the Royal Scientific Society. Among the numerous support services, the incubator is proposing assistance in fundraising, including investor introductions.

### ■ Profile

Contact	iPark P.O Box 36 Jubaiha 11941 Amman, Jordan Tel.: + 962 6 5335152 Fax: + 962 6 5335031 E-mail: <a href="mailto:info@ipark.jo">info@ipark.jo</a> Website: <a href="http://www.ipark.jo">www.ipark.jo</a>
Shareholder(s)	State incubator
Manager(s)	n/a
Type of funding	None
Average ticket	n/a
Business sector(s)	ICT

### ■ Application process

Companies are invited to download the preliminary application on the website (in the "Contact us" section), and send it to [apply@ipark.jo](mailto:apply@ipark.jo)

#### Track record

13 graduated companies, 9 in incubation.

Companies incubated at iPark:

- B2B solutions,
- Security applications,
- Banking solutions,
- ICT consultancy,
- Mechanical design applications and services,
- Telecom CRM solutions,
- Entertainment and gaming suits,
- On-Line media management,
- Web-based communities,

## *Jordan Innovation Centers Network*

The JIC Network aims at developing an innovation culture based on a spirit of entrepreneurship enabling environmental, international cooperation and competitiveness, as well as collaboration between the research community and the business sector focusing on the development of innovation-based products and services, and their marketing and commercialisation. The network members are:

- iPark (see above);
- JIC University of Jordan: Agro-Industry Business Incubator;
- JIC Al Hassan Industrial Estate: Technology and Industry;
- JIC Philadelphia University: No sector focus;
- JIC Royal Scientific Society: Industrial enterprises.

### **Profile**

Contact	JIC Tel.: + 962 5603507 E-mail: <a href="mailto:tarawneh@jedco.gov.jo">tarawneh@jedco.gov.jo</a> <a href="mailto:fhaddad@jedco.gov.jo">fhaddad@jedco.gov.jo</a> Website: <a href="http://jic.jo">http://jic.jo</a>
Shareholder(s)	State
Manager(s)	Director: Muna Tarawneh
Type of funding	Capacity building, coaching
Average ticket	n/a
Business sector(s)	Innovative projects

### **Application process**

The applicant should approach the director of the incubator and complete the application form following a short interview with the Director. The project is presented to the incubator's Technical Committee, which determines whether the project will be accepted or rejected.

Incubator contact details are available on the JIC website, via the "Contact us" section.

### **Track record**

- iPark (see above);
- JIC University of Jordan: 5 incubated companies, 2 graduated;
- JIC Al Hassan Industrial Estate: 5 incubated companies;
- JIC Philadelphia University: 2 incubated companies;
- JIC Royal Scientific Society: 5 incubated companies, 2 graduated.

## Support programmes for funding SMEs

### ***EMPRETEC***

Under the supervision and responsibility of UNCTAD (United Nations Conference on Trade and Development), represented in Jordan by UNDP, Empretec Jordan is a programme dedicated to developing entrepreneurial competencies and supporting innovation; it identifies promising entrepreneurs and provides them with training to strengthen their entrepreneurial behaviour and business skills, and assists them in writing business plans and accessing financing for their businesses. At international level, Empretec develops networks, disseminates information on best practices, develops training and consulting modules, and promotes regional fundraising.

#### **Profile**

Contact	4th Floor, Amman Chamber of Commerce Investment Bldg, Shmeisani, P.O. Box 830703, 11183 Amman Tel.: + 962 6 5625411 Fax: + 962 6 5625412 E-mail: <a href="mailto:info@empretecjordan.org">info@empretecjordan.org</a> Website: <a href="http://www.empretecjordan.org">www.empretecjordan.org</a>
Shareholder(s)	UNCTAD Programme
Manager(s)	Board of directors: NDP, UNCTAD, the Jordanian Ministry of Planning (MoP) and the Jordan Loan Guarantee Corp (JLGC) and 9 local partners: <ul style="list-style-type: none"> <li>▪ Industrial Development Bank (IDB)</li> <li>▪ Amman Chamber of Commerce (ACC)</li> <li>▪ Amman Chamber of Industry (ACI)</li> <li>▪ Investment Promotion Unit/UNIDO (IPU)</li> <li>▪ Young Entrepreneurs' Association (YEA)</li> <li>▪ Jordan Export Association (JEA)</li> <li>▪ Jordan Businessmen's Association (JBA)</li> <li>▪ Information Technology Association (Int@j)</li> <li>▪ University of Jordan (Dept. of Engineering and Technology)</li> </ul>
Type of funding	Capacity building, coaching
Average ticket	n/a
Business sector(s)	

## ■ Application process

Applications are made via the website, in the "How to join" section.

Applicants enter the selection process by completing the Entrepreneurship Training Workshop application form, which is then screened and scored by Empretec Jordan. Participation in the workshop is JOD 300 per attendee, 60% of which can be subsidised by NAFES or Jordan US Business Partnership.

Companies eligible for participation:

- 51% Jordanian privately owned enterprises;
- a minimum of five employees;
- no more than 250 employees for manufacturing enterprises;
- no more than 500 employees for services enterprises;
- enterprises with the potential to increase sales, export and employment;
- trading companies are not eligible.

Following this process, a number of individuals are selected, who then proceed to the business and focused interviews. Ideally, the individuals selected will be:

- those with experience in business ownership, whether current or prior;
- those with plans to establish a private business venture;
- credit officers from financial institutions dealing with credit for SMEs;
- individuals in senior management/decision-making positions in large corporations.

From the business and focused interviews, a number of individuals (not exceeding 30 in number) are selected to join the Entrepreneurship Training Workshop.

## ***Financial Operation Results***

The Financial Operations Results (FOR-Jordan) Project is a programme helping SMEs to manage financial issues and apply for funding, through training. FOR-Jordan was launched in March 2005 by Financial Market International Inc. (FMI), a US-based law and economics consulting firm specialising in capital markets development, in collaboration with the Business Development Center (BDC). During 2005 and 2006, the US Middle East Partnership Initiative (MEPI), the National Fund for Enterprise Support (NAFES), and the Jordan Loan Guarantee Corporation (JLGC) provided support to the FOR-Jordan project. In 2007, FOR-Jordan became a self-sustained programme operating as an integral part of the BDC's commitment to Jordanian SME development.

### **■ Profile**

Contact	Business Development Center (BDC) Address: 941865, 11194 Amman Tel.: + 962 6 586500 Fax: + 962 6 5865003 E-mail: <a href="mailto:info@forjordan.org">info@forjordan.org</a> Website: <a href="http://forjordan.org">http://forjordan.org</a>
Shareholder(s)	Public programme
Manager(s)	n/a
Type of funding	None
Average ticket	n/a
Business sector(s)	No sector focus

### **■ Application process**

Attending the training costs JOD 300, 50% of which can be funded by NAFES, is the company is eligible.

## ***StartUp@YEA***

This is a programme managed by the dynamic Young Entrepreneurs Association (YEA). YEA's professed original idea was to match up entrepreneurs in search of equity to finance the development of their business ideas with individuals who have capital financial assets and managerial experience as well as a willingness to share both with budding entrepreneurs. This will be implemented through a business plan competition. At the end of a seminar series, entrepreneur finalists selected by a YEA Screening Committee will pitch their business plans to a panel of renowned Jordanian entrepreneurs/businessmen and invite them to invest their own money.

### ■ Profile

Contact	Young Entrepreneurs Association PO Box 1652, 11821 Amman Tel.: + 962 6 4644451 Fax: + 962 6 4644458 Mob.: + 962 7 88660880 E-mail: <a href="mailto:admin@yea.com.jo">admin@yea.com.jo</a> Website: <a href="http://www.yea.com.jo">www.yea.com.jo</a>
Shareholder(s)	Businesspeople, future entrepreneurs or members of YEA
Manager(s)	n/a
Type of funding	Equity
Average ticket	n/a
Business sector(s)	Focus on innovation

### ■ Application process

Contact YEA.

## Institutions and associations

### *NAFES*

The National Fund for Enterprises Support (NAFES), funded by a grant donated by Japan, assists in the modernisation of SMEs (with 5 to 100 employees). NAFES financially supports companies participating in training programmes (like EMPRETEC or For Jordan – see above) or willing to hire the services of qualified national consulting companies (like ABCD – see above).

#### ■ Profile

Contact	E-mail: <a href="mailto:sabbagh@nafes.org.jo">sabbagh@nafes.org.jo</a> Website: <a href="http://www.nafes.org.jo">www.nafes.org.jo</a>
Shareholder(s)	Tutored by the HCST (Higher Council for Science and Technology)
Manager(s)	M. Sabbagh
Type of funding	Grants
Average ticket	n/a
Business sector(s)	Mostly productive sectors

#### ■ Application process

Applications can be submitted via the "Application forms" section of the NAFES website.

Priority is given to:

- SMEs in economically productive sectors;
- SMEs located outside Great Amman;
- SMEs able to utilise consulting support;
- SMEs owned and operated by women.

## ***Queen Rania Center for Entrepreneurship (QRCE)***

Established in 1991 by the Princess Sumaya University for Technology (PSUT), its aim is to operate as an "entrepreneurship enabler". Willing to support economic growth, it provides a whole set of services for present or would-be entrepreneurs, as well as the development and commercialisation of technology.

### **■ Profile**

Contact	Address: Queen Rania Center for Entrepreneurship Princess Sumaya University for Technology P.O. Box 1438 Jubiha, 11941 Amman Tel.: + 962 6 515 4892 Fax: + 962 6 515 4892 Website: <a href="http://www.qrce.org">www.qrce.org</a>
Shareholder(s)	Public institution, also sponsored by Jordan Dubai Capital, Orange and Google
Manager(s)	Mr Basel S. Kilany Mr Mohammad M. Khawaja
Type of funding	Provides expertise and training rather than loans
Average ticket	n/a
Business sector(s)	All sectors

### **■ Programmes and activities**

QRCE's activities are designed for:

- entrepreneurs from the academic sector (in order to facilitate technology transfer);
- mature entrepreneurs (to put them in touch with applied research).

The QRCE organises the Queen Rania National Entrepreneurship Competition on a yearly basis, as well as thematic workshops and mentoring; it is also willing to incubate start-ups through the iPark (see above) and the Jordanian Innovation Centers.

*Contact staff to learn more on scheduled training sessions or QRCE support.*

# Lebanon

## Seed and venture capital funds

### *Building Block Equity Fund*

This USD 20 million fund (subscribed up to USD 16.35 million) invests mostly in growth projects. Still, 20% of the fund is dedicated to venture capital. It will invest in a maximum of 15 companies and start-ups.

#### ■ Profile

Contact	The Building Block Markaziah Bldg, Mere Gellas Street, Beirut Central District, P.O. Box 175750 Beirut Tel./Fax: + 961 1 999985 Mob.: + 961 3 475454 E-mail: <a href="mailto:nagyrizk@thebbfund.com">nagyrizk@thebbfund.com</a> <a href="mailto:info@thebbfund.com">info@thebbfund.com</a> Website: <a href="http://www.thebbfund.com">www.thebbfund.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ European Investment Bank (EIB) - 20%</li> <li>▪ Averoes - 22%</li> <li>▪ 8 Lebanese Banks - 40%</li> <li>▪ Fund Managers/Individual investors - 18%</li> </ul>
Manager(s)	Fund Manager: Nagy Rizk Chairman of the Fund: Talal Shair
Type of funding	Equity
Average ticket	USD 0.3 million to USD 2.5 million
Business sector(s)	Technology, Services or Innovative traditional companies

#### ■ Application process

Contact the fund manager.

#### ■ Track record

Since this fund has just been set up, there is no investment to date.

## *Byblos Private Equity Fund*

This new fund is focused on small-medium sized equity and quasi-equity investments, normally not covered by international investment banks or other larger funds. It is a starting USD 30 million fund financed partly by the European Investment Bank.

### ■ Profile

Contact	Byblos Bank SAL Byblos Tower, Elias Sarkis Ave Achrafieh, P.O. Box 11-5605, Beirut Tel.: + 961 1 335200 Fax: + 961 1 339436 Website: <a href="http://www.byblosbank.com">www.byblosbank.com</a>
Shareholder(s)	EIB - FEMIP (up to EUR 7.5 million and 25% of the fund size), Byblos Group and other institutional investors
Manager(s)	n/a
Type of funding	Equity
Average ticket	-
Business sector(s)	Services

### ■ Application process

Contact Byblos bank.

### ■ Track record

None yet. The fund has just been set up.

## Incubators and Business Angels

### *Berytech Incubator/Fund*

Created in 2001, this incubator based in the technopark Berytech provides logistical services and accompaniment for start-ups. "Berytech Fund Holding" is a seed/early stage fund, located in Berytech Mar Roukoz, with a mandate to invest in promising technology companies. The Fund has a capitalisation of USD 6 million, with Cisco Systems and Intel Capital among the various shareholders. This fund has apparently not started operating yet.

#### ■ Profile

Contact	<p>Berytech          Address: P.O. Box 11-7503 Riad el Solh 1107 2240 Beirut          Tel.: + 961 (4) 53 30 40          Fax: + 961 (4) 53 30 70          E-mail: <a href="mailto:info@berytch.org">info@berytch.org</a>          Website: <a href="http://www.berytch.org">www.berytch.org</a></p>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Allied Business Bank s.a.l.</li> <li>▪ Arab Investment Bank s.a.l.</li> <li>▪ Audi Investment bank</li> <li>▪ Bank of Beirut s.a.l.</li> <li>▪ BankMed s.a.l.</li> <li>▪ Banque de l'Industrie et du Travail s.a.l</li> <li>▪ Banque Européenne pour le Moyen Orient s.a.l.</li> <li>▪ Banque Saradar s.a.l.</li> <li>▪ Byblos Bank s.a.l.</li> <li>▪ Crédit Libanais Investment Bank s.a.l.</li> <li>▪ General Medical Equipment s.a.l.</li> <li>▪ Indevco s.a.l.</li> <li>▪ LibanCELL s.a.l.</li> <li>▪ Murex Systems s.a.l.</li> <li>▪ Recherche et Développement s.a.r.l.</li> <li>▪ Saturn Trust Holding</li> <li>▪ Société Nationale d'Assurances s.a.l.</li> <li>▪ Université Saint-Joseph</li> </ul>
Manager(s)	<p>Incubator Director: Maroun N. Chammas          Fund Manager: Sami Beydoun          E-mail: <a href="mailto:sami.beydoun@berytchfund.org">sami.beydoun@berytchfund.org</a>          Tel.: + 961 4 533040</p>

Type of funding	Equity
Average ticket	n/a
Business sector(s)	Technology, Innovative sectors

**Application process**

*Incubator*

The application form is available on the website, in the "Admission Guidelines/Incubator" section.

*Eligibility criteria*

- technological and scientific quality;
- innovative aspect and proposed target market;
- economic sustainability and viability;
- level of motivation and implication of the candidate(s) and the quality of the team.

*Berytech Fund*

Contact Sami Beydoun, to find out how the fund is progressing.

## *Agripole Business Development Centre (Bekaa)*

Agripole is a new Business Development Centre (BDC) and business incubator established to support the creation and development of new and existing businesses in the Bekaa. An in-house multidisciplinary team with access to external specialised experts will deliver a range of services including business and strategic planning, market and export development planning, financial planning, and advice on raising loans and investment finance. Clients can also access advice and training in a range of topics including HR, production, quality standards, etc. In addition to offering advice, the BDC will provide a range of office and light industrial units where new or expanding enterprises can establish and incubate their office or pilot production facilities, with access to intranet and internet systems.

### ■ Profile

Contact	Agripole Damascus Road Taanail, Bekaa, P.O.Box: 159 Tel./Fax: + 961 8 543 300 E-mail: <a href="mailto:agripole@agripole.org">agripole@agripole.org</a> Website: <a href="http://www.agripole.org">www.agripole.org</a>
Shareholder(s)	Public incubator co-financed by EU
Manager(s)	Atef Idriss, Drs Yolla Ghorra and Raja Tannous
Type of funding	Capacity building to access financing
Average ticket	n/a
Business sector(s)	Agri-food

### ■ Application process

Applications can be submitted via the "Admission guidelines" section on the website.

### ■ Eligibility

Particularly (but not exclusively) entrepreneurs with at least five-years of work experience, preferably at mid- or senior-management level are eligible. Agribusiness will also work with existing companies in the agrifood and agribusiness sector that have yet to achieve their full growth potential.

## Guarantee funds

### *Kafalat*

Kafalat helps SMEs by providing loan guarantees based on business plans/feasibility studies that show the viability of the proposed business activity. It processes guarantee applications for loans that are to be given by Lebanese banks to SMEs operating throughout Lebanon. Kafalat-guaranteed loans benefit from interest-rate subsidies. Among its guarantee schemes, Kafalat developed the "Kafalat Innovative guarantee" to support innovative start-ups specifically. Innovative start-ups are those demonstrating the potential to create significant commercial added value through innovation. The Kafalat Innovative guarantee is targeted at the following activities:

- development of a new product or service;
- development of a new production or business process;
- development of new uses for existing products;
- development of new types or modes of distribution or sales channels.

#### Profile

Contact	Kafalat S.A.L Rue Hamra, Centre Piccadilly, 5ème étage, P.O. Box: 11-641, Beyrouth Tel.: + 961 346255 + 961 1341300/1/2 Fax: + 961 1350111 E-mail: <a href="mailto:kafalat@kafalat.com.lb">kafalat@kafalat.com.lb</a> <a href="mailto:kafalat@kafalat.com.lb">kafalat@kafalat.com.lb</a> Website: <a href="http://www.kafalat.com.lb">www.kafalat.com.lb</a>
Shareholder(s)	Institut National de Garantie des Dépôts (75%) and 50 Lebanese banks (25%)
Manager(s)	Chairman: Dr Khater Abou Habib E-mail: <a href="mailto:khater@kafalat.com.lb">khater@kafalat.com.lb</a> Tel.: + 961 01 346255
Type of funding	<i>Loan guarantees</i> Kafalat Innovative currently guarantees 90% of the value of the loan granted by the bank and 90% of the accrued interest during the grace period of + 3 months. The borrower must commit to making a minimum contribution of 10% in personal equity towards the cost of the project, and the lending bank is not permitted to request any

	collateral in addition to the Kafalat loan guarantee from the borrower.
Average ticket	Kafalat Innovative: between LBP 4 million and LBP 300 million
Business sector(s)	Industry, Agriculture, Tourism, Traditional Crafts, High tech



### Application process

Applications are submitted via the SME bank. Feel free to try several banks: different banks have different policies and a project rejected by one bank may be accepted by another.

#### *Eligibility*

- The SME shall provide evidence in the form of a business plan, that it is able to repay the loan.
- The SME must not be engaged in any of the activities excluded under the scheme as stated below.
- The start-up must be a bona fide new business venture that has not conducted any commercial operations in the past.
- The start-up should be a Lebanese-registered entity employing a majority of Lebanese in its labour force, with Lebanese majority shareholders; in the case of a sole trader or partnership, the individual or main partner should be over 18 years of age.
- No default under any credit facility should have occurred during the two years prior to the date of loan request for any of the partners associated with the start-up.

Preferably, the SME should also:

- have the potential to export;
- have the potential to generate significant added value and/or use local raw materials and/or introduce new and innovative technologies;
- operate in rural areas promoting basic infrastructure and financial support;
- work with new prototypes, products and inventions based on detailed market analysis, and financial and technical appraisals.

### Track record

By 31 December 2005, Kafalat had granted 2, 901 loan guarantees for a total value of LBP 405 billion (about USD 267 million).

## Support programmes for funding SMEs

### ***BADER – Young Entrepreneurs Program***

The BADER Young Entrepreneurs Program is a community of inspired and committed young business leaders engaged in supporting young entrepreneurs and promoting small businesses. The Bader Young Entrepreneurs Program was established in late 2005 under the joint initiative of the Finance Minister and 40 young Lebanese business leaders who were willing to dedicate the energy, enthusiasm, financial resources, and time to give back to their community. Based in Beirut, Lebanon, Bader works nationwide with leading educational and financial institutions and other partners, mentoring start-ups, running business plan competitions with MIT Lebanon and supporting networking between businessmen. BADER was among the initiators of Building Block Equity Fund (see above).

#### ■ Profile

Contact	Mob.: + 961 (3) 19 89 89 E-mail: <a href="mailto:info@baderlebanon.com">info@baderlebanon.com</a> Website: <a href="http://www.baderlebanon.com">www.baderlebanon.com</a>
Shareholder(s)	39 managers or chairmen of large enterprises
Manager(s)	President: Robert FADEL Vice President: Nader EL HARIRI Secretary General: Salah OSSEIRAN
Type of funding	Grants, possibly equity?
Average ticket	n/a
Business sector(s)	Mentoring: Fashion, Technology, Industry and Design. MIT Business plan contest: no sector focus.

#### ■ Application process

##### *Mentoring*

Contact BADER for information on deadlines. A contest is open to young Lebanese between the ages of 25 and 40 with a project they wish to implement in Lebanon. Bader recommends that you apply as part of a team of two to three individuals.

Winning teams will benefit from the coaching and support of mentors to get their business started. They will be introduced to potential support and funding institutions such as Berytech, Kafalat, IDAL, or the Economic and Social Fund for Development (ESFD).

##### *MIT Business Plan contest*

See [www.mitarabcompetition.com](http://www.mitarabcompetition.com) for details (USD 50,000 award for the winner, and the 3 top winners benefit from free coaching from the MIT Enterprise Forum team).

## ELCIM

The Euro-Lebanese Centre for Industrial Modernisation (ELCIM) is co-financed by the European Union through the ISSP Programme (for SME support from the EU, see [www.smelebanon.com](http://www.smelebanon.com)). ELCIM ensures technical aid for Lebanese SMEs to improve their performance until they can attain international standards. This aid is in the field of formations and training sessions on new technologies, as well as production. The Centre will also assist the enterprises in the innovation and the improvement of their production. However, ELCIM does not offer loans to the enterprises; it facilitates their access to loans through financial feasibility studies.

### Profile

Contact	Industrial Research Institute Address: Lebanese University Campus Hadath (Baabda) P.O. Box 11-2806, Beirut Tel.: + 961 (0) 5 464867 Fax: + 961 (0) 05 465078 E-mail: <a href="mailto:r.habre@elcim-lb.org">r.habre@elcim-lb.org</a> Website: <a href="http://www.elcim-lb.org">www.elcim-lb.org</a>
Shareholder(s)	Public funds
Manager(s)	Director: Raja Habre
Type of funding	Capacity building in finance: <ul style="list-style-type: none"> <li>▪ Access to KAFALAT guarantee facilities</li> <li>▪ Access to EIB and other commercial loans</li> <li>▪ Improving financial reporting of enterprises: qualified financial statements</li> <li>▪ Feasibility study targeted at facilitating access to long-term financial resources</li> <li>▪ Training for companies to improve financial reporting</li> <li>▪ The SME must contribute 20% of the action cost</li> </ul>
Average ticket	n/a
Business sector(s)	Manufacturing sectors

### Application process

Application forms may be downloaded from the ELCIM website.

#### *Eligibility criteria*

- private manufacturing SMEs from all sectors;
- Lebanese companies registered in the commercial registry;
- those that have been established for a minimum of two years;
- those with a minimum of five registered employees;

- Members of the Chambers of Commerce, Industry and Agriculture and/or Associations/Syndicates;
- must have valid financial statements.

### **Track record**

ELCIM declares that loans amounting to millions of US dollars

have been made available to SMEs from the European Investment Bank, from KAFALAT, as well as from other Lebanese commercial banks, thanks to the ELCIM Financial Unit.

## Institutions and associations

### *Chamber of Commerce, Industry and Agriculture of Beirut and Mount Lebanon*

The CCIB provides business-related training courses to SME employees. It hosts a Centre for Economic Research that deals with SME issues including innovation. It is involved in an ongoing USAID-funded project to promote innovation for new processes and products in the agrifood field. It initiated a National Cluster Initiative and is currently carrying out a quantitative study of the textile/garments sector with a view to establishing an action plan for the cluster. Under a British Council-funded initiative, it has been involved in an agrifood-related new-product design and packaging initiative. There is an EU-financed public-private initiative to develop a vocational school and the Chamber will work with the school to educate people on access to new markets.

#### ■ Profile

Contact	<p>CCIB</p> <p>Address: Beirut Sanayeh, Justinien Street, CCIABML building, P.O. Box 11/1801 Beirut</p> <p>Tel.: + 961 1 353390/1/2/3/4</p> <p>Fax: + 961 1 35339</p> <p>E-mail: <a href="mailto:information@ccib.org.lb">information@ccib.org.lb</a>  <a href="mailto:wnaja@ccib.org.lb">wnaja@ccib.org.lb</a></p> <p>Website: <a href="http://www.ccib.org.lb">www.ccib.org.lb</a></p>
Manager(s)	President: Ghazi Kraytem

## CNRS

The CNRS or National Council for Scientific Research oversees and finances scientific research activities in Lebanon. It implements national science and technology policy and advises the government on science and technology issues. The CNRS runs an annual LIRA or Lebanese Industrial Research Achievements programme that awards prizes for excellence in industrial research ([www.liraprogram.com](http://www.liraprogram.com)).

### Profile

Contact	<p>CNRS</p> <p>Address: B.P. 11-8281, Ryad El Solh 1107 2260</p> <p>59, Rue Zahia Selman, Beirut</p> <p>Tel.: + 961 1 850 125</p> <p>Fax: + 961 1 822 639</p> <p>E-mail: <a href="mailto:hamze@cns.edu.lb">hamze@cns.edu.lb</a></p> <p>Website: <a href="http://www.cns.edu.lb">www.cns.edu.lb</a></p>
Manager(s)	<p>President: Georges Tohmé</p> <p>Secretary General: Mouïñ Hamzé</p>

# MOROCCO

## Seed and venture capital funds

### *Accès Capital Atlantique Maroc S.A*

Mostly specialised in development capital (but investing 33% in venture capital), Accès Capital Atlantique S.A aims to invest in equity in Moroccan industrial SMEs not publicly listed. The fund is now closed as it is fully invested to capacity.

#### ■ Profile

Contact	Address: 101, Boulevard Massira Al Khadra 1er étage, Casablanca Tel.: + 212 (0) 22 98 13 91 Fax: + 212 (0) 22 98 95 66 E-mail: <a href="mailto:aca@acasa.ma">aca@acasa.ma</a> Website: <a href="http://www.acasa.ma">www.acasa.ma</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Groupe Caisse de et de Gestion (CDG): MAD 78.2 million - 56%</li> <li>▪ Axa Assurance: MAD 15.3 million – 11%</li> <li>▪ CNIA Assurance: MAD 15.3 million – 11%</li> <li>▪ Wafa Assurance: MAD 15.3 million – 11%</li> <li>▪ MAMDA/MCMA: MAD 15.3 million – 11%</li> </ul>
Manager(s)	General Manager: Mr Hassan Laaziri
Type of funding	Minority equity shares: 33% in venture capital, 33% in growth capital, 33% in LBO
Average ticket	USD 1.2 million to USD 3.7 million
Business sector(s)	No sector focus

#### ■ Application process

Contact the company.

#### ■ Track record

ACAMSA's investments at the end of 2006 totalled MAD 122.4 million covering 7 operations:

- High-tech Payment Systems, June 2002, MAD 12.8 million, Development Capital;
- Aéronautique Sefcam, Aeronautic subcontracting, August 2003, MAD 5.8 million, Venture Capital;
- Gespac Maroc;

- Aéroinvest;
- Sanash Sécurité;
- Aixor, industrial distribution of Print/Media and Logistics, 2006, MAD 25 million;
- Juice & Nectar Partners, producer of nectars, fresh fruit juices and long-life juices, 2006, MAD 10.9 million.

## *Agram Invest*

The first investment fund entirely dedicated to Agrifood, Agram invest was launched by the Attijariwafa Bank and the French fund Unigrains in 2006. With only USD 3 million invested so far, out of the USD 23.53 million available for companies under creation or development, it appears to be a good opportunity for SMEs in the sector.

### ■ Profile

Contact	Address: 416, rue Mustapha El Maâni, Casablanca Tel.: + 212 22 20 08 78 Fax: + 212 22 20 94 89 E-mail: <a href="mailto:a.boughaleb@attijariwafa.com">a.boughaleb@attijariwafa.com</a>
Shareholder(s)	Attijariwafa bank and Unigrains: MAD 30 million or 14,94% each <i>Others:</i> Averroès Finance, BEI (MAD 50 million), Crédit Agricole du Maroc (MAD 20 million), CACIF, Crédit du Maroc, Mutuelle Agricole Marocaine d'Assurances, Mutuelle Centrale Marocaine d'Assurances
Manager(s)	Director: Abderrahmane Boughaleb
Type of funding	Minority equity shares?
Average ticket	USD 1.2 million to USD 3.7 million
Business sector(s)	Agrifood

### ■ Application process

Contact the company.

### ■ Track record

One investment to date: NEWREST MAROC SA, for 11.3% (MAD 25 million).

## Capital Morocco I

With over USD 20 million invested to date, of nearly 25 million subscribed, this fund has 2 to 4 further investments to make.

### Profile

Contact	Capital Invest 30, boulevard Moulay Youssef, Casablanca Tel.: + 212 2242 91 20 Fax: + 212 2243 46 80 E-mail: <a href="mailto:i.sellami@bmcek.co.ma">i.sellami@bmcek.co.ma</a> Website: <a href="http://www.capitalinvest.co.ma">www.capitalinvest.co.ma</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ BEI: USD 3 million - 12,02%</li> <li>▪ BMCE Bank: USD 3 million - 12,02%</li> <li>▪ Investment Company Gulf (IGC): USD 3 million - 12,02%</li> <li>▪ Somed: USD 3 million - 12,02%</li> <li>▪ AVERROES: USD 5.968 million - 23,9%</li> <li>▪ RMA Al Watanya: USD 4 million - 16,02%</li> <li>▪ MAMDA-MCMA: USD 2 million - 8,01%</li> <li>▪ CIMR: USD 1 million - 3,99%</li> </ul>
Manager(s)	General Director: Omar Chikhaoui
Type of funding	Equity, 25% in venture capital, 75% in growth capital
Average ticket	USD 1 million to USD 2.5 million
Business sector(s)	No sector focus

### Application process

Contact the company.

### Track record

- Bexel - Distribution: 318, 357 USD - 21% - 1 position on board;
- Distrisoft - Distribution: USD 1,828,185 - 0.86% - 1 position on board;
- DVH-DVF - Distribution: USD 1,307,129 - 34% - 1 position on board;
- Consenor - Agroalimentaire: USD 1,438,159 - 13,23% - 1 position on board;
- Valyans - Conseil: USD 110,000 – 25% - 1 position on board;
- Soniama - Distribution: USD 1,176,470 - 25% - 1 position on board;
- M2M - Monétique: USD 1,882,353 - 5,23% - 1 position on board;
- Locasom - Location de voitures: USD 2,895,509 - 15,1% - 1 position on board;
- Labinal - Technologie de Pointe: USD 2,702,495 - 5,2% - no position on board;

- IFC - Agroalimentaire: USD 1,293,749 - 20,6% - 1 position on board
- Galaxy - Distribution: USD 515,908 - 34,51%;
- Finapack - Fabrication: USD 2,965,317 - 0% - 1 position on board;
- Web help - Outsourcing: USD 2,200,291 - 1% - no position on board.

## *Dayam*

A USD 5.88 million seed fund in the process of being created by the Saham Group (Morocco). The fund is aimed predominantly at supporting spin-offs from the Saham Group and its subsidiary CNIA Insurance. More generally, it is dedicated to talented Moroccan entrepreneurs.

### ■ Profile

Contact	Address: 16, rue Ali Abderrazak - ex Mirabeau, Casablanca Tel.: + 212 (0) 22 77 84 10 + 212 (0) 22 77 84 26 Fax: + 212 (0) 22 77 84 29 Website: <a href="http://www.sherpafinance.com">www.sherpafinance.com</a>
Shareholder(s)	Saham Group
Manager(s)	Investment manager: Khalil Azzouzi
Type of funding	Equity, 100% in seed funding
Average ticket	Maximum EUR 50,000
Business sector(s)	No sector focus

### ■ Application process

Priority given to investment in innovation.

Contact the company to apply.

## *Fipar Holding (groupe CDG)*

Fipar-Holding is an active investor aiming at possessing and managing for third parties a diversified portfolio of large participation with a mid- to long-term exit strategy.

### ■ Profile

Contact	Address: Immeuble CDG, Place Moulay El Hassan, Rabat Tel.: + 212 (0) 37 66 91 51 Fax: <a href="mailto:fipar@fipar.ma">fipar@fipar.ma</a> Website: <a href="http://www.fipar.ma">www.fipar.ma</a>
Shareholder(s)	CDG (Caisse de Dépôt et Gestion)
Manager(s)	CEO: Amine Benhalima
Type of funding	Equity: venture capital, growth capital
Average ticket	Over MAD 50 million (EUR 4.4 million)
Business sector(s)	<ul style="list-style-type: none"> <li>▪ Infrastructures: energy, ports</li> <li>▪ Services: concessions, transports, outsourcing, ICT, distribution, logistics</li> <li>▪ Industries: agrifood, electronic, aeronautics, cars, pharmaceutical labs</li> </ul>

### ■ Application process

#### *Investment criteria*

- Sharing of risks and performance: investments are mainly in equity, but FIPAR is open to offers of other hybrid financial products convertible in equity.
- Significant investment tickets (see average ticket above).
- Large spectrum of investment: investments at each stage of the development of the company, except takeovers of failing companies.
- Preferably companies based in Morocco, but foreign projects will be considered when they involve external elements that will benefit the Moroccan economy.
- Social responsibility: modern management and satisfactory organisation. FIPAR is also concerned with projects that have a social impact and closely explore the sustainability of these practices during the life of the investment.

### ■ Track record

At the end of 2006, Fipar-Holding was managing about 30 lines of participation for a total value of MAD 11 billion (EUR 965 million), including MAD 4 billion for the company and MAD 7 billion for third parties.

## Igrane

A USD 23.53 million fund (with USD 15.5 million subscribed to date) dedicated to the Souss Massa Drâa region (financed by the local authority). The focus is on high-potential sectors that will have a structural impact on the region's economy, and are based in the region.

### Profile

Contact	Address: Regional Gestion, 416, rue Mostapha El Maani, Casablanca Tel./Fax: + 212 22 20 08 78 + 212 22 20 94 89 E-mail: <a href="mailto:no.amrani@attijariwafa.com">no.amrani@attijariwafa.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Région Souss Massa Drâa: MAD 23 million - 18,26%</li> <li>▪ Attijariwafa bank: MAD 23 million - 18,26%</li> <li>▪ Caisse de Dépôt et de Gestion (CDG): MAD 20 million - 15,87%</li> <li>▪ Banque Centrale Populaire (BCP): MAD 20 million - 15,87%</li> <li>▪ Crédit Agricole du Maroc (CAM): MAD 20 million - 15,87%</li> <li>▪ Holmarcom: MAD 20 million - 15,87%</li> </ul>
Manager(s)	Manager: Nouredine Amrani
Type of funding	Minority shares of equity (10% to 30%): 40% in venture capital, 40% in growth, 20% in LBO
Average ticket	USD 0.2 million to USD 3.7 million
Business sector(s)	No sector focus

### Application process

Contact the company.

### Track record

None to date.

## *Maghreb Private Equity I*

Launched in 2000, this fund of EUR 15.1 million is focused on Maghreb countries for which it is dedicating 38% of its investment in venture capital (the rest is for growth and LBO). It is managed by Tuninvest through its subsidiary Maghreb Management Ltd.

### ■ Profile

Contact	Maghreb Management Limited Address: Immeuble Iris, Rue du Lac Malaren, Tunis Contact: Anis Fathallah Tel./Fax: + 212 71 862 311 E-mail: <a href="mailto:anis.fathallah@tuninvest.com">anis.fathallah@tuninvest.com</a> Website: <a href="http://www.tuninvest.com">www.tuninvest.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Averroès Finance: EUR 3,320,000 - 22%</li> <li>▪ IFC: EUR 3,250,000 - 21,6%</li> <li>▪ BEI: EUR 3,250,000 - 21,6%</li> <li>▪ FMO: EUR 1,950,000 - 12,9%</li> <li>▪ SECO: EUR 1,950,000 - 12,9%</li> <li>▪ Natexis: EUR 1,364,280 - 9%</li> </ul>
Manager(s)	Aziz Mebarek
Type of funding	38% venture capital, 46% growth capital, 16% LBO
Average ticket	Maximum of EUR 3 million of minority shares (20% maximum)
Business sector(s)	No sector focus; investments in Algeria, Morocco, Tunisia

### ■ Application process

Contact Maghreb Management Ltd.

General criteria at Tuninvest for selecting investments:

- validation of the management team, its technological and management capacities, its capacities in regard to the project;
- understanding of the technology and its market;
- knowledge of competition and its rules within the sector;
- awareness of strengths and weaknesses of the project;
- capacity of the project to grow and evolve;
- clear exit strategy.

### ■ Track record

The fund has been wholly invested in 13 companies.

## *Moussahama I*

The fund managed by Chaâbi Moussahama was set up in 1993. Subscribed at up to USD 16.5 million, it dedicates half its investment in venture capital, and half in growth capital. The company launched Moussahama II in 2008, but this new fund will focus more on growth (70%) and LBO (10%) investments.

### ■ Profile

Contact	Moussahama S.p.p. Address: 3, rue Bab El Mansour -ex Lapize, espace porte d'Anfa, imm.C , Casablanca Tel.: + 212 (0) 22 39 30 00 + 212 (0) 22 39 30 02 Fax: + 212 (0) 22 39 32 20 + 212 (0) 22 29 32 64 E-mail: <a href="mailto:moussahama@menara.ma">moussahama@menara.ma</a>
Shareholder(s)	5 Moroccan banks (BCP (59%), BMCE, BNDE, CDM, Al-Amal) plus EIB (19%), Proparco (15%) and Cofides (Espagne, 7%)
Manager(s)	CEO: M. Chihab Eladlouni
Type of funding	Minority shares (form 10% to 50%): 50% in venture capital, 50% in growth capital
Average ticket	USD 100,000 to USD 250,000
Business sector(s)	No sector focus

### ■ Application process

Contact the company.

### ■ Track record

11 companies in its portfolio. Some examples of investments:

- Naturex (biotechnologies): 5.52% of shares;
- Régional Air Lines: MAD 30 million;
- OMIA (company specialised in damper manufacturing): MAD 30 million;

## *Olea Capital*

Another new Moroccan fund dedicated to new industrial projects in the olive oil business, with high ambitions: USD 82 million (of which USD 72 million is already subscribed) — this will be entirely invested in seed capital.

### ■ Profile

Contact	SGAM Alternative Investments Address: 170 place Henri Renault, 92043 Paris, La Défense cedex Tel.: + 33 1 56 37 19 72 Fax: + 33 1 56 37 86 47 E-mail: <a href="mailto:abdellatif.imani@sgam.com">abdellatif.imani@sgam.com</a> Website: <a href="http://www.sgam-ai.com">www.sgam-ai.com</a>
Shareholder(s)	<i>Founders:</i> Crédit Agricole du Maroc, Société Générale Asset Management and Société Générale Marocaine de Banques (initiateurs). <i>Others:</i> 12 companies (insurance, investment companies, private operators).
Manager(s)	Abdellatif Imani
Type of funding	Majority shares, 100% in seed projects
Average ticket	n/a
Business sector(s)	Agrifood

### ■ Application process

The fund strategy is to structure, finance and manage the development of an agro-industry for the production of extra virgin olive oil in Morocco. All the invested projects will be controlled by a central exploitation company based in Casablanca and thus they become Local Exploitation Companies, with low autonomy. These farms will be sold after five years.

### ■ Track record

At least one local exploitation company already created so far. The fund already has plans for Settat, Meknes, Beni Mellal and El Gharb, as well as other regions.

## *Sindibad (filiale de CDG)*

Early stage fund specialised in innovative projects. Invests in enterprises in the process of developing their products, or at the phase of selecting their technology. In 36 months the fund has invested 74% of its available funds in 6 projects, plus 1 project in 2006. The fund intends to stay locked in the company for less than 5 years.

### ■ Profile

Contact	Address: 101, Bd Massira Al Khadra, Casablanca Contact: Mr Hassan LAAZIRI Tel./Fax: + 212 22 98 13 91 + 212 22 98 95 66 E-mail: <a href="mailto:hlaaziri@acasa.ma">hlaaziri@acasa.ma</a> Website: <a href="http://www.fondssindibad.com">www.fondssindibad.com</a>
Shareholder(s)	EIB: 26.06% Fonds PME Innovation FCPR: 26.06% Caisse de Dépôt et de Gestion (CDG): 20.80% Omnium Nord Africa (ONA): 16.67% Itissalat Al-Maghrib (IAM): 10.42%
Manager(s)	Investments Director: Adil KABBAJ
Type of funding	Seed funding in equity, maximum 40%
Average ticket	Up to EUR 0.31 million
Business sector(s)	IT, High tech

### ■ Application process

The fund works closely with Moroccan incubators and university labs based in Morocco. Its mission is to value the technologies and innovations based in these countries.

The team will support the entrepreneur in:

- the development strategy
- the definition of objectives
- the business plan
- the first years of development.

### ■ Investment criteria

- Legal structure: SA or SARL created less than two years ago, or currently under production.
- Absence of a first round of investment with venture capitalists
- Project: innovative, in terms of technology or know-how preferably sustained by a patent.

### Track record

There have been 7 investments up to May 2006:

- Marrakech: ATLAS EDEN SA, 2003, Agrifood.
- Casablanca: LEAD DESIGN SA, 2004, Integrated circuits.
- Fes: SN2B SA, 2003-05, Public works.
- Ifrane: PROTENIA SA, 2005, Biotechnology.
- Casablanca: RXR SA, 2005, Protection for action sports.
- Casablanca: EcoTechno SA, 2006, Electric and electronic waste management.

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## *Upline Technologies*

Fund of over USD 6 million dedicated to technology projects. Launched in 2000, it is now closed for subscription, and close to liquidation.

### Profile

Contact	Upline Investments Address: 37 boulevard Abdellatif Benkaddour, Casablanca Tel.: + 212 (0) 22 95 49 60/61 Tel./Fax: + 212(0) 2295 49 62 E-mail: <a href="mailto:adil.rzal@uplinegroup.ma">adil.rzal@uplinegroup.ma</a> Website: <a href="http://www.uplinegroup.ma">www.uplinegroup.ma</a>
Shareholder(s)	Proparco et ALII
Manager(s)	CEO: Mohamed Mékouar
Type of funding	Minority shares, 50% for seed projects funding, 50% in growth capital
Average ticket	n/a
Business sector(s)	IT, High tech

### Application process

It is unclear whether the fund is still investing. However Upline Investments have opened a new fund, Upline Investment Fund, which seems to be more focused on growth capital, and more open to traditional sectors.

### Track record

Companies like HPS and Involys.

The fund claims an investment return ratio of 18.5%.

## Incubators and Business Angels

### *Réseau Marocain Incubation et Essaimage (RMIE)*

The RMIE is a network bringing together the following incubators:

- **Centre d'Innovation Technologique (CIT)** of the Ecole Mohammadia d'Ingénieurs.
- **Centre d'Incubation et d'Accueil des Entreprises Innovantes (CIAEI)** of the Ecole Nationale de l'Industrie Minérale.
- **Incubateur RESIN**, created in partnership between Institut National des Postes et Télécommunications (INPT, which has its own incubator) and the Ecole Nationale Supérieure d'Information et d'Analyse des Systèmes (ENSIAS).
- **Incubateur Universitaire of Marrakech "MA IN"**.
- **Centre Universitaire Doukkala Incubation (CUDI)** of the Faculté des Sciences in El Jadida.
- **Incubateur Régional Interuniversitaire du Sud** of the Université Ibn Zohr.
- **Incubateur Dynamiqu Est** of the Faculté des Sciences Economiques Juridiques et Sociales d'Oujda.
- **Incubateur of the Casablanca Technopark.**
- **Incubateur of the ISIAM Group** in Agadir.

The RMIE allow grants for the business plan, studies, prototypes and demos, and travel and documentation expenses.

#### Profile

Contact	Address: 52, Bd Omar Ibn El Khattab B.P. 8027 NU, 10.102 Rabat Agdal Tel.: + 212 37 68 14 98 Fax: + 212 37 77 12 88 E-mail: <a href="mailto:rmie@cnrst.ma">rmie@cnrst.ma</a> Website: <a href="http://www.rmie.ma">www.rmie.ma</a>
Shareholder(s)	State-funded programme managed by CNRST (Centre National pour la Recherche Scientifique et Technique) <i>Donors:</i> Ministry of Higher Education Ministry of Industry
Manager(s)	Salma Dinia
Type of funding	Grants
Average ticket	MAD 230,000 grant (of which MAD 20,000 comprise the management fee by the incubator), managed by the incubator: the promoter must have the validation of the incubator management to claim expenses.
Business sector(s)	No sector focus

## Application process

The RMIE governance is as follow:

- Comité de Pilotage: bringing together the donors and defining the strategy of the network.
- Management Committee: brings together the partners of the network. In charge of implementation of the strategy.
- Coordination/Animation department: located at the CNRST in Rabat. Coordination and internal/external communication of the RMIE.
- Selection and Evaluation Committee (CSE): examines and selects projects of future enterprises to be financed.

Applications are made through the incubators.

## Track record

See all the projects of future enterprises in the "Projets" section of the RMIE website.

## *Maroc Entreprendre*

Maroc Entreprendre is a network of 70 top managers of Moroccan companies that support entrepreneurs in the creation and development of their businesses. Working like business angels, they select projects and nominate one of their members to accompany the promoter in its creation and development. Maroc Entreprendre also proposes collective coaching for the selected promoters.

## Profile

Contact	Address: 47 angle boulevards d'Anfa et Moulay Youssef, 20000 Casablanca Tel.: + 212 (0) 22 20 76 82 Fax: + 212 (0) 22 20 79 86 E-mail: <a href="mailto:rme@maroc-entreprendre.ma">rme@maroc-entreprendre.ma</a> Website: <a href="http://www.maroc-entreprendre.ma">www.maroc-entreprendre.ma</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Founders</li> <li>▪ Maroc Entreprendre is also close to Attijariwafa bank and Fondation Banque Populaire pour la Création d'Entreprise</li> </ul>
Manager(s)	Director: Hicham Smad
Type of funding	Loans, eventually seed capital (by businessmen, on an individual basis)
Average ticket	n/a
Business sector(s)	No sector focus

### ■ **Application process**

Step 1. Application: Promoters send their projects to Maroc Entrepreneur.

Step 2. Pre-selection by the director.

Step 3. Enrichment of the project by contribution of members leads to the Validation of the project.

Step 4. Presentation of the project to eight members leads to the Commitment.

Once accepted, the project benefits from:

- loan on honour;
- individual coaching accompaniment by one of the members of the network;
- collective coaching with other promoters;
- integration with the economic networks.

### ■ **Track record**

See the incubated projects in the "Connaitre le réseau/Les lauréats" section on the website.

## Guarantee funds

There are several guarantee funds available in Morocco, usually linked with the upgrading/modernisation of the companies. The full list of guarantee funds is available on the ANPME website at [www.anpme.ma](http://www.anpme.ma) in the "Mise à Niveau/ Financement de la Modernisation" section.

Here we have only highlighted a guarantee fund dedicated to enterprise creation.

### *Fond de garantie pour la création de la jeune entreprise*

Fund managed by the Caisse Centrale de Garantie under the Ministry of Finances. It is dedicated to facilitating bank financing of Moroccan enterprise promoters between the ages of 20 and 45.

#### ■ Profile

Contact	Caisse Centrale de Garantie/ Service de la Communication et de la Documentation Address: Centre d'Affaires, Boulevard Ar Ryad, Hay Ryad, Rabat, B.P. 2031 Tel.: + 212 (0) 037 71 68 68 + 212 (0) 37 71 68 79 Fax: + 212 (0) 37 71 57 15 E-mail: <a href="mailto:ccg@ccg.ma">ccg@ccg.ma</a> Website: <a href="http://www.ccg.ma">www.ccg.ma</a>
Shareholder(s)	Caisse Centrale de Garantie
Manager(s)	n/a
Type of funding	85% guarantee for credits accepted by banks; the credit must cover a maximum of 90% of the investment. Minimum of 7 years' duration. Cost: 1.5% of the guaranteed amount.
Average ticket	MAD 1 million for sole promoters. MAD 3 million for a group of companies.
Business sector(s)	No sector focus

#### ■ Application process

Applications are made through the bank providing the credit.

Applications include at the very least:

- a feasibility study (economic, technical, etc.);
- if an extension is applied for, accounts for the past two years and tax documents are required.

Processing period is 10 days.

## Support programmes for funding SMEs

### *Innov'act*

Programme initiated by R&D Maroc in 1997. R&D Maroc's main goal is to strengthen and solidify financial support for R&D activities in SMEs. To this end, the program INNOVACT focuses on two main activities: a) direct support of up to 20 R&D projects launched by SMEs, and b) formulating a strategy report that will form the basis of the association's advocacy strategy to convince the Moroccan government to design R&D policies that are more relevant to the private sector.

#### ■ Profile

Contact	R&D Maroc Address: Place du 16 novembre. Immeuble Habous. 51A 20000 Casablanca Tel.: + 212 (0) 22 22 44 66 +212 (0) 22 22 54 53 Fax: + 212 (0) 22 22 55 59 E-mail: <a href="mailto:mohammed.smani@academie-technologies.fr">mohammed.smani@academie-technologies.fr</a> Website: <a href="http://www.rdmaroc.com">www.rdmaroc.com</a>
Shareholder(s)	<i>Donors:</i> ANPME, Taahil Al Mokawalat project (TAM) from GTZ, Ministry of Higher Education and Scientific Research, IFC (World Bank group)
Manager(s)	Director: Mohammed Smani
Type of funding	Subsidies with collaterals
Average ticket	MAD 200,000
Business sector(s)	Metal, mechanical, electronic and electric industries; Chemical and Para-chemical industries; Agro-industries; Textiles-Clothing sectors; Water and environment technologies

#### ■ Application process

Submit your application online at the following address:

[www.rdmaroc.com/telechargement/seminaire/DossierSoumission.doc](http://www.rdmaroc.com/telechargement/seminaire/DossierSoumission.doc)

#### *Eligible projects*

Projects leading to the improvement of the competitiveness of the SME, and complying with the following criteria:

- significant innovative potential,
- scientific, technical, economic and social outcomes expected,

- sustainability of the project's results.

*Duration*

The duration is a maximum of two years, with the possibility of extending this for six months.

*Project financing*

The MAD 200,000 grant is to finance:

- the researcher income (max MAD 6,000/month),
- the researcher tutor income (minimum of MAD 50,000 for the project duration),
- expenses for the lab or technical centre, and those expenses incurred for the project.

The company must bring at least the same amount of funding as the Innov'act grant.

## ***Moukawalati***

Moukawalati is a state programme aimed at creating 30,000 small companies – for investment under MAD 250,000 – in all the regions of Morocco at the end of 2008.

**Profile**

Contact	Moukawalati has offices in numerous regions, see exact details here: <a href="http://www.moukawalati.ma/adresses.cfm">www.moukawalati.ma/adresses.cfm</a>
Shareholder(s)	State
Manager(s)	Local managers
Type of funding	Loan paid back within 6 years. State credit guarantee for 85% of the loan.
Average ticket	Maximum of MAD 15,000, representing a maximum of 10% of the total investment
Business sector(s)	No sector focus

**Application process**

*Eligible projects*

- Promoters must be Moroccan citizens.
- The age limit is 20 to 45 years of age.
- Start-up project validated by ANAPEC.
- Cost of the project between MAD 50,000 and 5 million.
- Maximum of 2 promoters per project (every project over MAD 250,000 must be promoted by 2 persons).

*Project financing*

Pre-financing without interest and bank credit:

- Advance of a maximum of 10% of the investment project: maximum of MAD 15,000 for projects under MAD 250,000 of investment, and MAD 30,000 for projects with over MAD 250,000 investment.
- Bank loan: 90% max.

## Institutions and associations

### *ANPME*

The National Agency for SMEs (ANPME) is a state agency in charge of coordinating national tools, networks and initiatives supporting the modernisation of the SMEs. It also acts as a policy advocate to promote the simplification of procedures for entrepreneurs. The Agency hosts the Project Management Unit of the Industrial Modernisation Programme, which is financed by the European Union, and is the national focal point of the Medibtikar programme.

The Agency does not provide funding to companies, except for those companies supported by the Modernisation Programme, but their website is a good portal for finding your way in Moroccan entrepreneurship.

#### ■ Profile

Contact	Address: 10, Rue Ghandi, 5ème étage, BP 1135, Rabat Tel.: + 212 (0) 37 70 84 60 Fax: + 212 (0) 37 70 76 95 E-mail: <a href="mailto:anpme@anpme.ma">anpme@anpme.ma</a> Website: <a href="http://www.anpme.ma">www.anpme.ma</a>
Shareholder(s)	State
Manager(s)	Latifa Echichabi
Type of funding	Within the Industrial Modernisation Programme: <ul style="list-style-type: none"> <li>▪ training and coaching within the enterprises' modernisation process</li> <li>▪ guarantees to facilitate credits</li> <li>▪ venture capital</li> <li>▪ credits</li> </ul>
Average ticket	n/a
Business sector(s)	No sector focus

#### ■ Application process

##### *Eligibility criteria*

- Moroccan companies, except subsidiaries of foreign companies;

- industrial companies with staff of more than 20 persons, 3 executive members of staff and a turnover of more than MAD 2.5 million (50% of which comes from transformation);
- service company linked to the industry with staff of more than 10 persons, 3 executive members of staff, and a turnover of more than MAD 1 million;
- company must be at least two years old.

#### *Funding*

The programme covers 90% of the expertise needed for modernisation, with 10% provided upfront by the company.

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## ***Banque Al Amal***

BANK AL-ÂMAL offers financial aid for the realisation of creation schemes or enterprise development, especially those initiated by Moroccans living or having lived abroad.

### **Profile**

Contact	Address: 288, Bd Zerktouni, Casablanca Tel.: + 212(0) 22 22 69 26/27/28 Fax: + 212(0) 22 22 69 30 E-mail: <a href="mailto:bankalamal@iam.net.ma">bankalamal@iam.net.ma</a> Website: <a href="http://www.bankalamal.ma">www.bankalamal.ma</a>
Shareholder(s)	Founded by the Bank Al Maghrib, CDG and other banks, who own 25% of the bank in total. The remaining 75% belongs to the Moroccan expatriates that the bank is supporting.
Manager(s)	CEO: Faïçal Lahrichi
Type of funding	Participative loans (below 20% of the capital), or long- to mid-term credits coupled with credit granted by other banking institutes
Average ticket	Maximum of MAD 5 million
Business sector(s)	All productive sectors

### **Application process**

#### *Mission of the Bank*

- Assists promoters in the conception and the feasibility study of the project.
- Backs up the promoter throughout the stages of the investment realisation.
- Facilitates the obtaining of complementary financing means beside other loan societies.
- Provides the promoter with information on the domestic economic environment.

#### *Eligibility*

- Applicants must be Moroccans expatriated in France, having an enterprise project in Morocco in areas other than real estate and trading.
- Maximum funding is 40% of the project, and a maximum of MAD 5 million.

### ■ **Track record**

Bank Al Amal has apportioned over MAD 16 billion in loans to date.

Participative loans appear to be a very good product for developing SMEs for these reasons: a) the funds are commonly considered as equity and therefore reinforce company capacity to mobilise long- to mid-term credits to finance its investments, and b) they associate the bank with the company, but without any interference in the management of the company.

# Syria

## Incubators and Business Angels

### *MAWRED*

This is a women's business incubator with offices in all the regions of the country. It focuses on services such as design and recruitment. It supports promoters in defining their projects and strategy, and is not particularly concerned with funding issues. When we last looked into MAWRED, we found that the rate of incubation was very low and that most of the tenants were in fact NGOs. In 2005, however, the VBI or Village Business Incubator programme was set up to promote the role of women in the labour market through the creation of micro and small enterprises run by women. It is focused on nine villages in the Governorate of Lattakia. The programme will continue until 2009. The programme establishes business incubators in villages; the incubators are managed by female staff that train rural women in enterprise management and provide assistance in start-up phases.

#### ■ Profile

Contact	General Representative and Incubator Consultant, Region of Damascus P.O. Box: 36055, Damascus Tel.: + 963 11 6133865 Fax: + 963 11 6116241 Website: <a href="http://www.mawred-syria.org">www.mawred-syria.org</a> For contacts in other regions, click "Contact us" on the Mawred website.
Shareholder(s)	n/a
Manager(s)	Dima Akkad
Type of funding	Coaching
Average ticket	n/a
Business sector(s)	No sector focus

#### ■ Application process

Contact your regional Mawred office.

#### *Eligibility*

Businesswomen with the most promising and well-planned business ideas are selected for an incubation period of 3 to 12 months.

## ***SEBC Business Incubator***

The SEBC-BI is a new business incubator established in 2007 in Syria; it is intended to be the head of a network of similar incubators throughout the country. It provides start-ups and SMEs with a large range of services and tools to set up and organise their businesses. This includes access to financial services, in the form of helping the incubated company to formulate its financial plan, business plan and loan application, and introducing it to incubator partners such as the SME Fund and the Young Entrepreneurs Association (a source of potential business angels).

### **Profile**

Contact	SEBC Business Incubator. Mezzeh Villat, Al Shafii St., Damascus Tel.: + 963 11 613 3232 Fax: + 963 11 611 9762 E-mail: <a href="mailto:info@sebc-bi.com">info@sebc-bi.com</a> Website: <a href="http://www.sebc-bi.com">www.sebc-bi.com</a>
Shareholder(s)	State and international donors
Manager(s)	n/a
Type of funding	Coaching, mediation to access finances. Free of charge.
Average ticket	n/a
Business sector(s)	Industry or services (Agriculture not eligible)

### **Application process**

Applications are made through the "Join us" section of the website.

#### *Eligibility*

- Citizens of Syria or a MEDA country, who are resident in Syria.
- Private entrepreneurs or a small enterprises that wish to start a new business.
- Applicants must have professional experience or a relevant education background for the proposed business.
- The business must operate within the industrial or service sector (the agriculture sector is not eligible).
- The business must have the potential to achieve significant growth, competitiveness and job creation.
- The business must operate within a growing, non-traditional economic sector.

### **Track record**

Apparently, 12 projects are already incubated.

## *Village Business Incubator*

The VBI or Village Business Incubator programme was set up in 2005 to promote the role of women in the labour market through the creation of micro and small enterprises run by women. It is focused on nine villages in the Governorate of Lattakia. The programme will continue until 2009. It establishes business incubators in villages; the incubators are managed by female staff that train rural women in enterprise management and provide assistance in start-up phases.

### ■ Profile

Contact	Village Business Incubator Al Yarmouk Street, Municipality Building, Ground floor. P.O. Box 1, Ain Al Tineh, Lattakia Tel.: + 963 41 443943 Fax: + 963 41 443944 E-mail: <a href="mailto:vbi@mail.sy">vbi@mail.sy</a> Website: <a href="http://www.vbi-lattakia.org">www.vbi-lattakia.org</a>
Shareholder(s)	Funded by the Fund for Integrated Rural Development Of Syria (FIRDOS) with the technical assistance of the Italian Association for Women in Development (AIDOS), the EU and the International Fund for Agricultural Development (IFAD)
Manager(s)	Ms Abeer Dyoub
Type of funding	Capacity building, support in applying for loans
Average ticket	n/a
Business sector(s)	Based on regular studies and needs. Current sectors: Handicrafts, Food processing, Services.

### ■ Application process

Contact VBI to apply.

#### *Eligibility*

Women entrepreneurs or women willing to become entrepreneurs from the midland and coastal regions of Syria.

### ■ Track record

About 100 women from villages have been trained. Currently, 17 entrepreneurs are being supported, and 4 projects were granted loans in 2006.

### **Guarantee funds**

As far as we are aware, there is no guarantee fund or institution dedicated to supporting SME loans. SEBC (see "Institutions and Associations") has placed the creation of such institutions at the top of its priorities.

## Support programmes for funding SMEs

### *SME Fund II*

In December 2007, the EIB-FEMIP signed an EUR 80 million agreement with the Syrian Ministry of Finance on a credit line – the SME Fund II— aimed at the partial financing of long-term investments undertaken by private-sector SMEs in a wide number of sectors. These financing services will be distributed by the public and private Syrian banks. This agreement builds on the existing SME Fund signed in 2003. The management unit of this SME Fund (FMU) is in charge of the implementation of this measure in national banks, for them to become intermediaries between clients and SME Fund and offer loans.

#### ■ Profile

Contact	SME Fund management unit (FMU) CBS Building – 11 <sup>th</sup> Floor, Yossef Al Azmed Square, P.O. Box 6079, Damascus Tel.: + 963 11 446 742 30 Fax: + 963 11 245 35 13
Shareholder(s)	EIB-FEMIP
Manager(s)	FMU
Type of funding	Loans for SMEs
Average ticket	n/a
Business sector(s)	Industry; Services; Infrastructure; Tourism; Energy; Environmental protection; Health and Education

#### ■ Application process

Application is made through Syrian banks. Contact FMU to find out which banks are affiliated.

### *SME Support Programme*

The SSP or SME Support Programme has recently been established to improve the competitiveness of the Syrian SME sector. It is based at a newly developed national organisation: the Syrian ENTERPRISE Business Centre (see the "Institutions and Associations" section). It builds upon the achievements of the Syrian EUROPEAN Business Centre established in 1996. It started operating in 2006 and is not yet fully operational. It will support the delivery of business and export development services, and financial and policy advice. In particular, it aims to improve access to medium- and long-term capital as well as information on export market opportunities. At the moment, the programme is organising training sessions for SMEs on how to approach a bank and formulate their needs for financing.

### Profile

Contact	SEBC P.O. Box: 36453 Damascus, Syria Tel.: + 963 11613-3865 Fax: + 963 11613-3866 E-mail: <a href="mailto:sebc@sebcysyria.com">sebc@sebcysyria.com</a> Website: <a href="http://www.sebcysyria.com">www.sebcysyria.com</a>
Shareholder(s)	EU Project
Manager(s)	CEO: Noha Chuck
Type of funding	Capacity building
Average ticket	n/a
Business sector(s)	No sector focus

### Application process

Contact SEBC to attend the workshops.

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## *SYEA Ventures*

SYEA Ventures is a national programme that supports the implementation of prominent small and medium business ideas in Syria. SYEA Ventures provides entrepreneurs with the basic toolkit to implement their business ideas and assigns industry expert mentors to participants. Additionally, the programme grants financial support through competitions. It is worth participating in this competition, since the selection committees and the mentors assigned to each competitor might be potential business angels investing in your business.

### Profile

Contact	SYEA Administration Address: Al Rawda - St Fawzy Al Ghazzy, 80 Syria Tel.: + 963 11 33502255 Fax: + 963 11 33502373 Website: <a href="http://www.syea.org">www.syea.org</a>
Shareholder(s)	The official SYEA sponsors are Syriatel and Bank Audi Syria, plus several consultants and possible business angels
Type of funding	Grants
Average ticket	SYP 1,000,000 per award winner (EUR 12,500)
Business sector(s)	No sector focus

## ■ Application process

Applications to be downloaded on the website. the deadline for the 2008 competition has passed; follow up on the deadlines for next years.

### *Eligibility*

- Applicants must be between 20 and 45 yeras of age (individuals or teams can participate).
- The new venture's required financing for the project to get off the ground should not exceed SYP 1,000,000, unless the difference is secured by the participating team.
- Syrians or non-Syrians can be part of the team, as long as it contains at least one Syrian; the venture should be based in Syria.
- Applicants should not have won another competition with the same idea.
- Each candidate can be part of one team.
- The new venture should be a profitable business.

### *Competition steps*

1. Registration.
2. Pre-screening (some eliminations).
3. Idea competition: meeting with a committee to present the idea of the enterprise project. All teams presenting their ideas will be able to attend the SYEA Ventures training programme, which includes business planning workshops, strategic management, team building, presentation skills, etc.
4. Entrepreneurship competition: an industry expert (mentor) will be assigned to each team.
5. Award ceremony: SYP 1 million for the winning project.

## Institutions and associations

### *SEBC (Syrian Enterprise and Business Centre)*

SEBC's first project under implementation is the SME Support Programme (see the "Support Programmes for Funding SMEs" section), which is a result of the financing agreement MED/2005/17542 between the Syrian Ministry of Economy and Trade and the European Commission in Brussels, with a total amount of EUR 15 million. It operates under joint responsibility of the Ministry for Economy and Trade with the Ministry of Industry. It has offices in Damascus and Aleppo. SEBC also operates an incubator SEBC-BI (see the "Incubators and Business Angels" section). It has also set up the project of creating a guarantee institution for SME loans.

#### ■ Profile

Contact	SEBC P.O. Box: 36453, Damascus, Syria Tel.: + 963 11 613-3865 Fax: + 963 11 613-3866 E-mail: <a href="mailto:sebc@sebcsyria.com">sebc@sebcsyria.com</a> Website: <a href="http://www.sebcsyria.com">www.sebcsyria.com</a>
Shareholder(s)	State and international donors
Manager(s)	CEO: Noha Chuck
Business sector(s)	No sector focus

# Tunisia

## Seed and venture capital funds

### *Ikdam I*

The first public seed fund to be launched in Tunisia in 2005. It offers low investment tickets.

#### ■ Profile

Contact	Ikdam Gestion Address: Centre Urbain Nord - Imm ICC E02, Tunis Contact: Amir Alibi Tel.: + 216 70 749 130 Fax: + 216 71 755 335 E-mail: <a href="mailto:ikdam.gestion@hexabyte.tn">ikdam.gestion@hexabyte.tn</a> Website: <a href="http://www.bfpme.com.tn">www.bfpme.com.tn</a>
Shareholder(s)	State fund
Manager(s)	President: Abdelselem Mohsni
Type of funding	Minority shares in equity
Average ticket	TND 50,000 and support companies to raise up to TND 100,000 to TND 150,000
Business sector(s)	No sector focus

#### ■ Application process

Projects usually come from the banks, or are PIRD beneficiaries (see "Support Programmes for Funding SMEs" section).

Priority is given to innovative projects, patent holders and RITI beneficiaries (see "Support Programmes for Funding SMEs" section).

Contact the company.

#### ■ Track record

There have been 13 projects funded, 5 of which are in the ICT sector, 4 in the mechanical industry, 3 in thermosolar energy and 1 in life sciences.

## *Société de développement et d'investissement du Cap-Bon (SODICAB)*

Launched in 1998, it aims at developing a new generation of entrepreneurs in the region targeted, as well as to promote and motivate investment and innovation.

### ■ Profile

Contact	SODICAB - Sicar S.A Address: Place 7 Novembre, Immeuble de la Jarre, BP 160, 8000 Nabeul Tel.: + 216 72 230 240 Fax: + 216 72 230 161 E-mail: <a href="mailto:sodicab@planet.tn">sodicab@planet.tn</a> <a href="mailto:sodicab@sodicab.com.tn">sodicab@sodicab.com.tn</a> Website: <a href="http://www.sodicab.com.tn">www.sodicab.com.tn</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Société d'Investissement du Cap-Bon (SICAB)</li> <li>▪ Société Touristique du Cap-Bon (STCB)</li> <li>▪ Arabe Tunisian Bank (ATB)</li> <li>▪ Banque Internationale Arabe de Tunisie (BIAT)</li> <li>▪ Banque Nationale Agricole (BNA)</li> <li>▪ Société Tunisienne de Banque (STB)</li> </ul>
Manager(s)	Ms Bouslama
Type of funding	Minority shares in equity (up to 49%), from early to expansion stages.
Average ticket	Up to TND 450 000
Business sector(s)	No sector focus

### ■ Application process

SODICAB's action is limited to the Nabeul and Zaghouan governorates. However, projects related to the ICTs can be approved for the whole country. Contact staff for due diligence. Selected projects will receive financial and managerial assistance.

### ■ Track record

Since 2001, SODICAB has invested approximately TND 3 million in 15 projects. It subsequently exited from 6 and should proceed to 3 additional exits in 2008.

## ***Arab Tunisian Development –SICAR (ATD-SICAR)***

ATD-SICAR was created in March 2001. It has invested in 39 projects since its creation. It has allocated 59% to projects under creation and the rest in growth projects.

### **■ Profile**

Contact	SODICAB - Sicar S.A Address: Rue Lac Léman, Résidence Regency, Bloc C, 2ème étage bureau 200, Les Berges du Lac, 1053 Tunis Tel.: + 216 71 965 849 + 216 71 965 691 + 216 71 965 693 Fax: + 216 71 965 813 E-mail: <a href="mailto:atd@atd.com.tn">atd@atd.com.tn</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ ATB: 41%</li> <li>▪ Others shareholders ("private investors"): 59%</li> </ul>
Manager(s)	Mr Seif Eddine Bejaoui
Average ticket	n/a
Business sector(s)	No sector focus

### **■ Application process**

Project holders should contact Mr Riadh Jaidane (Tel.: +216 22 349 355; Fax: +216 71 965 813).

## *Maghreb Private Equity I*

Launched in 2000, this fund of EUR 15.1 million is focused on Maghreb countries for which it is dedicating 38% of its investment in venture capital (the rest is for growth and LBO). It is managed by Tuninvest through its subsidiary Maghreb Management Ltd.

### ■ Profile

Contact	Maghreb Management Limited Address: Immeuble Iris, Rue du Lac Malaren, Tunis Contact: Anis Fathallah Tel./Fax: +216 71 862 311 E-mail: <a href="mailto:anis.fathallah@tuninvest.com">anis.fathallah@tuninvest.com</a> Website: <a href="http://www.tuninvest.com">www.tuninvest.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Averroès Finance: EUR 3,320,000 - 22%</li> <li>▪ IFC: EUR 3,250,000 - 21,6%</li> <li>▪ BEI: EUR 3,250,000 - 21,6%</li> <li>▪ FMO: EUR 1,950,000 - 12,9%</li> <li>▪ SECO: EUR 1,950,000 - 12,9%</li> <li>▪ Natexis: EUR 1,364,280 - 9%</li> </ul>
Manager(s)	Aziz Mebarek
Type of funding	38% venture capital, 46% growth capital, 16% LBO
Average ticket	Maximum of EUR 3 million of minority shares (maximum of 20%)
Business sector(s)	No sector focus. Investments in Algeria, Morocco, Tunisia.

### ■ Application process

Contact Maghreb Management Ltd.

General rules at Tuninvest for selecting investments:

- validation of the management team, its technological and management capacities, its capacities in regard to the project;
- understanding of the technology and its market;
- knowledge of competition and its rules within the sector;
- awareness of strengths and weaknesses of the project;
- capacity of the project to grow and evolve;
- clear exit strategy.

### ■ Track record

The fund has been wholly invested in 13 companies.

## *Phenicia Seed Fund*

First privately managed seed fund in Tunisia, created in July 2007. It is dedicated to Tunisian innovative companies under creation, or those that have been established for a maximum of five years. It will support projects from universities, incubators or technopoles. At least 50% of its assets must be invested within enterprises carrying projects eligible for seed funding according to the Tunisian law N° 2005-58 of 18 July 2005. The initial amount of the fund is TND 2.5 million (EUR 1.38 million) and its aim is to reach TND 10.05 million (EUR 5.54 million).

### Profile

Contact	Alternative Capital Partners Address: Immeuble Yosr-Appart 9 et 10 Rue du lac victoria- Les berges du lac, Tunis Contact: Mrs Selma Bellagha Mr Taha Loued Tel./Fax: + 216 71 965 770 + 216 71 962 638 E-mail: <a href="mailto:selma@alter-cap.com">selma@alter-cap.com</a> <a href="mailto:taha@alter-cap.com">taha@alter-cap.com</a>
Shareholder(s)	50% Tunisian, 50% European: <ul style="list-style-type: none"> <li>▪ BEI: TND 825,000 - 33%</li> <li>▪ CDC: TND 425,000 - 17%</li> <li>▪ ATB: TND 500,000 - 20%</li> <li>▪ BH: TND 250,000 - 10%</li> <li>▪ AMEN BANK: TND 250,000 - 10%</li> <li>▪ GAT: TND 125,000 - 5%</li> <li>▪ ATL: TND 125,000 - 5%</li> <li>▪ ACP: TND 7,000</li> <li>▪ SELMA BELLAGHA: TND 2,000</li> <li>▪ TAHA LOUED: TND 2,000</li> <li>▪ ZIED GHORBEL: TND 2,000 (PARTS B)</li> </ul>
Manager(s)	Mrs Selma Bellagha
Type of funding	Minority shares (from 34% to 49.9%), 50% of the fund invested in seed funding, 50% in venture capital. Investments should last 4 to 6 years.
Average ticket	EUR 0.2 million to EUR 0.8 million
Business sector(s)	No sector focus

### Application process

Contact management.

### Track record

No investments to date.

## *Sages Capital*

Sages targets seven major companies in Tunisia with seven dedicated funds to support them in developing spin-off companies. Sages accompanies the entrepreneurs (staff from one of the seven companies or entrepreneurs developing technologies in the field of these companies) in pre- and post-investment, and invests in equity beside the mother company. These funds are currently under subscription.

### Profile

Contact	Address: Imm.Mark Crowm - Rue lac Lemane, Les Berges Du Lac, 1053 Tunis Tel.: + 216 71 961 993 + 216 71 961 985 Fax: + 216 71 961 983 Website: <a href="http://www.essaimage-sagescapital.com">www.essaimage-sagescapital.com</a>
Shareholder(s)	n/a
Manager(s)	Founder and President: Alaya Bettaieb
Type of funding	Equity
Business sector(s)	Sectors of the 7 companies. Follow up closely on their website.

### Application process

At the moment, the fund has not started to invest. Please follow up on their website ([www.essaimage-sagescapital.com](http://www.essaimage-sagescapital.com)).

## *SPPI - Société de Participations et de Promotion des Investissements*

The first Tunisian Venture Capital company (SICAR) to be created in 1990, SPPI has only invested in 15 projects since then. Despite this low record, it is an active fund according to the national financing community.

### ■ Profile

Contact	SPPI (Société de Participations et de Promotion des Investissements) Address: Imm Hannibal, 1er étage Les Berges du Lac, 1053 Tunis Tel.: + 216 71 862 444 Fax: + 216 71 860 359 E-mail: <a href="mailto:samir.marrakchi@sppi.fin.tn">samir.marrakchi@sppi.fin.tn</a> Website: <a href="http://www.sppi.com.tn">www.sppi.com.tn</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Banque de Tunisie: TND 927,5 million - 40,66%</li> <li>▪ PROPARCO: TND 375 million - 16,44%</li> <li>▪ Banques: TND 975 million - 42,74%</li> <li>▪ Small shareholders: TND 3,8 million - 0,17%</li> </ul>
Manager(s)	President: Samir Marrakchi
Type of funding	Minority shares (10% to 49%): 32% of investments in venture capital, 39% in growth capital, 29% in LBO. Maximum of 5 to 7 years' duration.
Average ticket	n/a
Business sector(s)	No sector focus

### ■ Application process

Project holders may contact Mr Fouad M'Zoughi (Tel.: +216 71 862 444; Fax: +216 71 860 359).

### ■ Track record

EUR 14.97 million invested to date in 15 companies.

## *Tuninvest Innovation SICAR*

Independent SICAR. A EUR 2.86 million fund managed by Tuninvest, and created in 2002. It has invested nearly EUR 2 million to date and is dedicated to technological projects.

### Profile

Contact	Tuninvest Finance Group Address: Immeuble Iris, Rue du Lac Malaren, Tunis Contact: Anis Fathallah Tel./Fax: + 216 71 862 311 E-mail: <a href="mailto:anis.fathallah@tuninvest.com">anis.fathallah@tuninvest.com</a> Website: <a href="http://www.tuninvest.com">www.tuninvest.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ BEI: TND 1,650,000 - 30%</li> <li>▪ Amen Bank: TND 1,500,000 - 27,3%</li> <li>▪ Tunisie Leasing: TND 1,500,000 - 27,3%</li> <li>▪ Averroes: TND 825,000 - 15%</li> </ul>
Manager(s)	Ziad Oueslati
Type of funding	Minority stakes, up to 20% shares: 50% of the fund invested in venture capital, 50% in growth capital
Average ticket	Up to EUR 0.6 million
Business sector(s)	No sector focus

### Application process

Contact fund management.

General rules at Tuninvest for selecting investments:

- validation of the management team, its technological and management capacities, its capacities in regard to the project;
- understanding of the technology and its market;
- knowledge of the competition and its rules within the sector;
- awareness of strengths and weaknesses of the project;
- capacity of the project to grow and evolve;
- clear exit strategy.

### Track record

EUR 1.96 million invested to date in 9 companies. No exit to date.

## *Tuninvest 4 generalist SICARs*

The Tuninvest Finance Group manages four generalist funds that are mainly targeted at investing in growth capital. They are apparently far less active in venture capital funding than other SICARs of Tuninvest Innovation (SPPI and SODICAB).

### ■ Profile

Contact	Tuninvest Finance Group Address: Immeuble Iris, Rue du Lac Malaren, Tunis Contact: Anis Fathallah Tel./Fax: +216 71 862 311 E-mail: <a href="mailto:anis.fathallah@tuninvest.com">anis.fathallah@tuninvest.com</a> Website: <a href="http://www.tuninvest.com">www.tuninvest.com</a>
Shareholder(s)	These institutions are among the shareholders of at least one of the four SICARs: <ul style="list-style-type: none"> <li>▪ Amen Bank</li> <li>▪ Tunisie Leasing</li> <li>▪ IFC</li> <li>▪ Proparco</li> <li>▪ GAT</li> <li>▪ TFG, Tunisie Valeurs</li> <li>▪ Assurances Maghrebria</li> <li>▪ F.M.O</li> <li>▪ SIFEM</li> <li>▪ BEI</li> <li>▪ Averroes</li> </ul>
Manager(s)	Ziad Oueslati
Type of funding	Minority shares (15% to 20%): 22% to 24% in venture capital, 65% to 72% in growth capital, and 12% to 40% in LBO
Average ticket	Up to EUR 1.8 million
Business sector(s)	No sector focus

### ■ Application process

Contact fund management.

General rules at Tuninvest for selecting investments:

- validation of the management team, its technological and management capacities, its capacities in regard to the project;
- understanding of the technology and its market;
- knowledge of the competition and its rules within the sector;

- awareness of strengths and weaknesses of the project;
- capacity of the project to grow and evolve;
- clear exit strategy.

**Track record**

EUR 23.1 million invested to date in 82 companies. Of these, 53 already have a return ratio of between 13% and 16.5%.

## Incubators and Business Angels

### *Réseau National des Pépinières d'Entreprise*

The national network of incubators is managed by API (Agency for the Promotion of Industry). API, which is under the Ministry of Industry, Energy and SMEs, has signed an agreement with the Ministry of Higher Education, Scientific Research and Technology, in which they have committed to support the emergence of projects within these incubators. The main support given to the projects promoters is training (Entrepreneur guidebook, business plan, legal, technical and marketing guidelines).

Most importantly for the purposes of this guide, one of these incubators' missions is to facilitate and support entrepreneurs in fund seeking.

**Profile**

Contact	Agence de Promotion de l'Industrie (API) Address: 63, rue de Syrie, 1002 Tunis Belvédère Tel.: + 216 71 792144 Fax: + 216 71 782482 E-mail: <a href="mailto:api@api.com.tn">api@api.com.tn</a>
Shareholder(s)	State-owned incubators
Manager(s)	Head of incubator network: Nouredine Taktak
Type of funding	Support in accessing financing structures
Business sector(s)	No sector focus

**Application**

Step 1:

The entrepreneur contacts the incubator directly, to get an application form.

Step 2:

A first evaluation meeting is scheduled, to help the entrepreneur in putting together his or her application.

Step 3:

Meeting of the Agreement Committee to evaluate the project (agreement, reshuffling, and rejection).

### Step 4:

Once agreed by the Agreement Committee, a contract is signed agreeing on the services to be delivered by the incubator, and the entrepreneur is granted access to its offices.

#### ■ **Track record**

So far, 24 "pépinières" have been created:

- Rades Technologie Plus,
- Nabeul Elan Technologique,
- Sfax Innovation,
- Sousse TEC,
- Kairouan Innovation Technologique,
- Gabès Promotech,
- Gafsa Technologie du Futur,
- Djerba Création et Innovation,
- Pépinière des initiatives innovantes Ksar – Hellal,
- Mahdia Entreprendre,
- Le Kef Essor Technologique,
- Jendouba Créatic,
- Kébili initiative création (KIC),
- Béjà Essor Technologique,
- Pépinière d'Entreprises de Bizerte,
- Zaghouan Terre d'Entreprendre,
- Manouba Tech,
- Centre d'Innovation et de Développement de l'INSAT,
- Carthage Innovation de l'EPT,
- Manartech de l'ENIT,
- Innotech du Technopôle de Borj Cédria,
- Pépinière d'entreprises des communications du Technopôle El Ghazala,
- Pépinière d'entreprises du technopôle de Sfax,
- SofTech la pépinières.

## Guarantee funds

### *La Société Tunisienne De Garantie (SOTUGAR)*

SOTUGAR was created in 2003 to guarantee credits and participation from banks and SICAR companies to SMEs in the industry and services sectors.

#### ■ Profile

Contact	SOTUGAR 124 Avenue de la liberté, 1002 Tunis Tel.: + 216 71 28 24 60 + 216 71 28 19 90 Fax: + 216 71 28 09 55 E-mail: <a href="mailto:contact@sotugar.com.tn">contact@sotugar.com.tn</a> Website: <a href="http://www.sotugar.com.tn">www.sotugar.com.tn</a>
Shareholder(s)	State: 54% Private Banks: 46%
Manager(s)	CEO: M'hamed Ayed
Type of funding	Guarantee of 75% for mid- to long-term credit, and SICAR investments
Average ticket	TND 50 000 to TND 3 million (EUR 27.6 K to EUR 1.65 million)
Business sector(s)	Industry (manufacture) and services (IT, software, consulting)

#### ■ Application process

Contact SOTUGAR.

Eligible companies: those that have been established for less than three years.

#### ■ Track record

n/a

## Support programmes for funding SMEs

### FOPRODI

FOPRODI (Fond de Promotion et de Décentralisation Industrielle) aims at favouring entrepreneurship by providing financial support to new and existing promoters. Launched in the 1970s, it has had good results according to local professionals. Since 1999, its management was transferred to the SICAR and its mobilisation appears to have become less efficient. It has recently evolved into the FOPRODI PME (i.e. SME).

#### Profile

Contact	<p>Agence de Promotion de l'Industrie (API)          Address: 63, rue de Syrie, 1002 Tunis Belvédère          Tel.: + 216 71 792144          Fax: + 216 71 782482          E-mail: <a href="mailto:api@api.com.tn">api@api.com.tn</a>          Website: <a href="http://www.tunisieindustrie.nat.tn">www.tunisieindustrie.nat.tn</a></p>
Shareholder(s)	State fund
Manager(s)	API Tunisia
Type(s) of funding	<p><i>For new promoters:</i></p> <ul style="list-style-type: none"> <li>▪ Equity: up to TND 1 million and a maximum of 40% of the capital for the first round; TND 3 million and a maximum of 20% of capital for the second round</li> <li>▪ Grants: up to TDN 100,000 for equipment, studies or real estate.</li> </ul> <p><i>For existing promoters:</i></p> <ul style="list-style-type: none"> <li>▪ Equity: up to TDN 1 million and a maximum of 30% of the capital for the first round; TDN 3 million and a maximum of 10% of capital for the second round</li> <li>▪ Grants: up to TDN 20,000 for studies.</li> </ul> <p><i>FOPRODI PME</i></p> <ul style="list-style-type: none"> <li>▪ Equity: up to 60% of the capital for the first round contributed by the FOPRODI, minimum of 10% contributed by a SICAR and 10% contributed as collateral by the promoter</li> <li>▪ The capital is returned to the entrepreneur at an interest rate of 3% per year.</li> </ul>
Average ticket	See type of funding
Business sector(s)	No sector focus

## ■ Application process

### *Eligible projects*

- investment amount must be less than TND 3 million;
- activity defined by decree N°94-492 of 28/02/1994 and N° 2000-821 of 17/04/2000;
- financial scheme: 30% capital and 70% bank credits.

### *Affiliated banks to contact for application:*

- STB, Rue Hédi NOUIRA – Tunis;
- BNA, Rue Hédi NOUIRA – Tunis;
- BIAT, 70-72 Av. BOURGUIBA – Tunis;
- AB, Av. Mohamed V – Tunis;
- BS, 95, Avenue de la liberté – Tunis;
- BDET, Rue Hédi karay - Ariana – Tunis;
- BH, Av. Kheireddine BACHA – Tunis;
- BT, Rue de Turquie – Tunis;
- UBCI, 139, Avenue de la liberté – Tunis;
- UIB, Av. BOURGUIBA – Tunis.

### *Affiliated SICARs:*

- STB SICAR, Rue Hédi Nouira –Tunis;
- SIDCO, 70, Av. de la Liberté –Tunis;
- SODIS, 70, Av. de la Liberté –Tunis;
- Maghrébia Financière SICAR, 9, Rue de l'Artisanat –Tunis;
- COTIF-SICAR, 12, Av. Habib THAMEUR – Tunis;
- SICAR INVEST, Rue Hédi Nouira – Tunis;
- SPPI, 139, Av. de la Liberté- Tunis;
- SODEK – SICAR, Av. Sufetula - Cité Ezzouhour –Kasserine;
- SIM – SICAR, 24, Av. Kheireddine PACHA – Tunis;
- SUD – SICAR, 116, Av. de la liberté – Tunis;
- SODINO, 70, Av. de la liberté – Tunis;
- SICAR AMEN, Av. Mohamed V – Tunis;
- TUNIVEST – SICAR, 147, Av. de la liberté –Tunis;
- Union méditerranéenne d'investissement, 139, Av. de la liberté – Tunis;
- SODICAB, Imm. La Jarre 8000 – Nabeul;
- International SICAR, 65, Av. Habib BOURGUIBA –Tunis.

## **PIRD**

The PIRD (Prime d'Investissement pour la R&D) aims at financing the results of R&D in established companies. It is distributed by the Ministry of Higher Education, of Scientific Research and Technology.

### **Profile**

Contact	Ministère de l'enseignement supérieur, de la recherche scientifique et de la technologie Direction de la recherche et du développement technologique Tel.: + 216 71 796 043 Fax: + 216 71 796 165 E-mail: <a href="mailto:mrstdc@ministeres.tn">mrstdc@ministeres.tn</a> Website: <a href="http://www.rsit.rnu.tn/presentation/pird.htm">www.rsit.rnu.tn/presentation/pird.htm</a>
Shareholder(s)	State funds
Manager(s)	Ministry of Higher Education, of Scientific Research and of Technology
Type of funding	Grants: 50% of the investment amount. 2% collateral may be demanded.
Average ticket	Up to TND 25,000 for studies; and TND 100,000 for the realisation of prototypes
Business sector(s)	Industry, Agriculture and Fish

### **Application process**

Contact API or the Ministry of Higher Education, of Scientific Research and of Technology.

#### *Beneficiaries*

- public or private companies or scientific associations with technology development projects;
- higher education graduates who are promoters of ICT projects;
- projects with creation or extension requiring less than TND 500,000 investment.

#### *Application*

A technical application must be presented to the Ministry of Higher Education, of Scientific Research and Technology, including the following:

- a formal request to the Minister;
- a technical and economic presentation of the project;
- an application form, available from the Ministry of Higher Education, of Scientific Research and Technology, to be given in quintuplicate (i.e. five copies).

The application is evaluated either by two professors, or by a technical centre. It is then passed on to the consultative commission for final advice.

## PNRI

The Programmes Nationaux de Recherche et Innovation (PNRI) have been designed to adapt human and technological resources from public research structures to the needs of Tunisian companies, especially SMEs, in the field of ICTs.

### ■ Profile

Contact	Ministère de l'enseignement supérieur, de la recherche scientifique et de la technologie Direction de la recherche et du développement technologique Tel.: + 216 71 796 043 Fax: + 216 71 796 165 E-mail: <a href="mailto:mrstdc@ministeres.tn">mrstdc@ministeres.tn</a> Website: <a href="http://www.rsit.rnu.tn/presentation/pnri.htm">www.rsit.rnu.tn/presentation/pnri.htm</a>
Shareholder(s)	State funds
Manager(s)	Ministry of Higher Education, of Scientific Research and of Technology
Type of funding	Grants
Average ticket	n/a
Business sector(s)	No sector focus

### ■ Application process

Contact the Ministry of Higher Education, of Scientific Research and of Technology. Application forms can be downloaded online. In order to qualify, applicants should make sure that their project fulfils the following criteria:

- associates at least one public research structure and at least one private company;
- has the potential for a significant innovation with a significant economic impact;
- can be applied quickly.

## VRR

The Fund for Valuing the Results of Research (VRR – Valorisation des résultats de la recherche) is dedicated to lab researchers who partner with an industrial company for three years of the project duration. It is distributed by the Ministry of Higher Education, of Scientific Research and Technology.

### ■ Profile

Contact	Ministère de l'enseignement supérieur, de la recherche scientifique et de la technologie Direction de la recherche et du développement technologique Tel.: + 216 71 796 043 Fax: + 216 71 796 165 E-mail: <a href="mailto:mrstdc@ministeres.tn">mrstdc@ministeres.tn</a> Website: <a href="http://www.rsit.rnu.tn/presentation/vrr.htm">www.rsit.rnu.tn/presentation/vrr.htm</a>
Shareholder(s)	State funds
Manager(s)	Ministry of Higher Education, of Scientific Research and of Technology
Type of funding	Grants
Average ticket	From EUR 40,000 to EUR 125,000
Business sector(s)	Research labs

### ■ Application process

Contact the Ministry of Higher Education, of Scientific Research and of Technology. It is necessary to have an industrial partner for the duration of the project.

## RITI

The RITI (Régime d'Incitation à l'Investissement dans les Technologies de l'Information) supports entrepreneurs' projects in the ICT sector with grants and loans. It has been approved by the State Secretariat for Information, under the auspices of the Ministry of Communications Technologies.

### Profile

Contact	Agence de Promotion de l'Industrie (API) Address: 63, rue de Syrie, 1002 Tunis Belvédère Tel.: + 216 71 792144 Fax: + 216 71 782482 E-mail: <a href="mailto:api@api.com.tn">api@api.com.tn</a> Website: <a href="http://www.tunisieindustrie.nat.tn">www.tunisieindustrie.nat.tn</a>
Shareholder(s)	State funds
Manager(s)	CEO: Mohammed Ben Abdallah
Type of funding	Grants for a maximum of 49% of the company equity. Benefits on the capital are given to the entrepreneur to support the acquisition of the shares owned by RITI. Grants for projects of under EUR 400,000. Promoters must bring in 2% collateral.
Average ticket	Maximum of EUR 95,000
Business sector(s)	<ul style="list-style-type: none"> <li>▪ production or development of software or digital content</li> <li>▪ production or development of high value added systems and solutions in the ICT sector</li> <li>▪ development of innovative services based on ICT or targeting the ICT market</li> </ul>

### Application process

Contact the State Secretariat for Information under the auspices of the Ministry of Communications Technologies. Applicants should hold a university degree, propose an innovative idea in the field of ICT, and be fully dedicated to the realisation of their project.

## Institutions and associations

### *Amen Bank*

First entirely private bank in Tunisia; Amen Bank appears to be quite dynamic and more risk-compatible than the traditional banks of the country. Besides its investments in several investment funds, Amen Bank offers a wide range of credit solutions for Tunisian SMEs, both in Tunisian Dinars and in foreign currencies. Moreover, at the end of 2007, Amen Bank was holding discussions with foreign partners; this could facilitate the accompaniment of Tunisian clients abroad.

#### ■ Profile

Contact	AMEN BANK Address: Av. Mohamed V, 1002 Tunis Tel.: + 216 71 835 500 Fax: + 216 71 833 517 Website: <a href="http://www.amenbank.com.tn">www.amenbank.com.tn</a>
Shareholder(s)	Ben Yedder Group, private Tunisian investors
Manager(s)	VP and General Director: Ahmed El Karm
Type of funding	Wide range of short-, mid- and long-term credit in Tunisian Dinars. Credit for financing of imports and exports in foreign currencies.
Average ticket	See website
Business sector(s)	No sector focus

#### ■ Application process

Contact Amen Bank.

### *APRICE (under creation)*

The Tunisian government is planning the creation of an innovation agency called APRI (Agence de Promotion de la Recherche et de l'Innovation). This structure, aimed at bridging fundamental R&D and the economic sphere, could also be equipped with financing facilities for innovative companies (subsidies for innovation or technical studies, free loans for R&D, innovation and technology transfer, and free loans for incubation and capital funding). Project holders are recommended to closely follow the instruments made available by this future agency.

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## *ATIC (Association Tunisienne des Investisseurs en Capital)*

Created in 2004, ATIC is an association representing the players of equity investors. Along with the 40 SICAR companies, a number of law firms and consulting companies are part of the association as associate members. The full SICAR list may be downloaded at the following address:

[www.atic-online.com/download/sicar\\_liste\\_Tunisienness.pdf](http://www.atic-online.com/download/sicar_liste_Tunisienness.pdf)

### ■ Profile

Contact	ATIC 55, Avenue Kheireddine Pacha, 1002 Tunis Tel.: + 216 71 282 778 Fax: + 216 71 284 125 E-mail: <a href="mailto:associationsicar@gnet.tn">associationsicar@gnet.tn</a> Website: <a href="http://www.atic-online.com">www.atic-online.com</a>
Manager(s)	President: Riadh Abida

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## ***BFPME (Bank for the financing of SMEs)***

BFPME is a bank covering the full spectrum of activities to support SMEs: consulting, accompaniment and financing. It was created in March 2005 following law N° 65 2001. Its assets are TND 50 million, 25% of which are subscribed for the launch. BFPME is financing the purchase of equipment goods, civil works, working capital and immaterial capital, for enterprises being set up or under development.

### **■ Profile**

Contact	Address: Avenue Mohamed V (ex: Immeuble BNDT), Montplaisir, 1002 Tunis Tel.: + 216 71 785 985 + 216 71 111 200 to 209 Fax: + 216 71 795 424 E-mail: <a href="mailto:info@bfpme.com.tn">info@bfpme.com.tn</a> Website: <a href="http://www.bfpme.com.tn">www.bfpme.com.tn</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Tunisian state</li> <li>▪ Tunisie Télécom</li> <li>▪ Groupe Chimique</li> <li>▪ OACA (Office de l'Aviation Civile et des Aéroports)</li> <li>▪ OCT (Office du Commerce de Tunisie)</li> <li>▪ SOTUGAR</li> </ul>
Manager(s)	President and CEO: Mansour Abdessalem
Type of funding	<ul style="list-style-type: none"> <li>▪ mid- to long-term credit (2 to 10 years)</li> <li>▪ prefinancing/guarantee for public procurements</li> <li>▪ private equity for start-ups</li> <li>▪ risk co-financing</li> </ul>
Average ticket	Credit: TND 80,000 to TND 4 million (EUR 44.200 to EUR 2.2 million)
Business sector(s)	No sector focus

### **■ Application process**

Projects can be submitted online on the BFPME website (documents and applications are available online).

### **■ Track record**

492 projects approved in various sectors (Industry, ICT, Energy, Services and Agrifood). TND 105 million of financing issued (through credit, equity, advances, etc.).

# Turkey

## Seed and venture capital funds

### *Golden Horn Ventures*

Golden Horn Ventures is the first early stage venture capital fund in Turkey. The investment philosophy of the management is to support innovative projects in high-potential business sectors.

#### ■ Profile

Contact	Kore Sehitleri Caddesi Gazal Apartmani n° 38:D:3 - Zincirlikuyu, Istanbul E-mail: <a href="mailto:info@goldenhornventures.com">info@goldenhornventures.com</a> Website: <a href="http://www.goldenhornventures.com">www.goldenhornventures.com</a>
Shareholder(s)	n/a
Manager(s)	Founder and Managing Partners: Ahmet Aykac, Can Paker and Mae Ozkan ( <a href="mailto:maeozkan@yahoo.com">maeozkan@yahoo.com</a> )
Type of funding	Equity: 50% seed investment, 50% venture capital
Average ticket	EUR 0.65 million to EUR 3.91 million
Business sector(s)	Start-ups in Biotechnologies; Material science; Finance applications; Micro payments; Location-based services; Telephony software; Wireless access; RFID; Media application; Short- and long-term video; Interactive entertainment; IP-based electrical devices; Open-source applications; Web 2.0 applications

#### ■ Application process

Golden Horn Ventures are similar to business angels in practice, nurturing projects and supporting entrepreneurs in their decisions, strategies and business development.

Targeted companies (criteria):

- ability to change the structure of their market;
- technology leverage: business models that can scale cost effectively using technology;
- brand leverage;
- defensibility of the technology: via intellectual property and via entry barriers being developed;
- scalability: ability to develop a portfolio based on their technology platform and assets;
- profitability.

### Track record

GHV mentions only two current investments and no exit.

The two companies are Yogurt and Group.s.

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## *iLab Venture (Access Turkey Capital Group)*

iLab Ventures, the venture capital arm of AccessTurkey Capital Group, is focused on early-stage through late-stage growth equity investments primarily in online consumer services companies and technology-driven business services companies.

### Profile

Contact	Ataturk Cad. No. 72 Kozyatagi, 34736 Istanbul Tel.: + 90 216 468 10 15 Fax: + 90 216 302 86 82 E-mail: <a href="mailto:info@accessturkey.com">info@accessturkey.com</a>
Shareholder(s)	n/a
Manager(s)	Yuksel Dibekoglu, CFA
Type of funding	Equity
Average ticket	n/a
Business sector(s)	Internet and online businesses

### Application process

Contact the company directly.

### Track record

*Current portfolio (February 2008)*

- Kariyer.net (online recruitment business)
- Gittigidiyor.com (consumer trading platform)
- Sigortam.net (online-offline insurance brokerage service)
- ChemOrbis (e-commerce platform and market intelligence provider for the chemicals and plastics industry)
- SteelOrbis (e-marketplace and sector specific content service provider for the steel industry).

## *IS Private Equity*

Also named İş Girişim, this venture capital company was established in 2000 according to the Capital Market Board (SPK) VC legislation. Established by Is Bank, the Turkish Industrial Development Bank (TSKB) and the Technology Development Foundation of Turkey (TTGV), it was set up with USD 29.3 million under management. In 2007 the fund managed USD 76 million.

### ■ Profile

Contact	İş Kuleleri Kule 2, Kat:8 - 34330 Levent, Istanbul Tel.: + 90 212 325 17 44 Fax: + 90 212 270 58 08 E-mail: <a href="mailto:info@isgirisim.com.tr">info@isgirisim.com.tr</a> Website: <a href="http://www.isgirisim.com.tr">www.isgirisim.com.tr</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ IS Bank (62.31%)</li> <li>▪ 37.69% in ISE stock market</li> </ul>
Manager(s)	General Manager: A. Murat Özgen
Type of funding	Equity or convertible bonds. Venture capital (33% of investments), growth equity (33% including industry consolidation) and restructuring (33% LBO).
Average ticket	USD 2 million to USD 10 million per deal; larger equity requirements can be accommodated with like-minded and value adding co-investors
Business sector(s)	Retail; Branded FMCG, Services (Catering, Security, Facility Management, Logistics); Healthcare and Pharmaceuticals; Building Materials; Chemicals; Education; Tourism; Energy; TMT (Technology, Media, Telecoms)

### ■ Application process

The Executive summary form for application can be downloaded from the website (in the section "How we Invest"). The investment process includes the following phases: screening, assessment and approval (research and due diligence), financing closing.

#### *Investment philosophy*

- company size: SMEs;
- stage of development: early stage (private equity), expansion-stage, and later-stage companies;
- characteristics: history of increasing profitability and excellent growth prospects with a leading position or strong potential to become leaders in their respective markets;

- geographic focus: companies headquartered in Turkey with a global reach is preferable;
- control: comfortable with both minority and majority positions;
- exit goal: between three to seven years.

### *Investment criteria*

1. attractive returns;
2. an aggressive but realistic business plan for high growth: organic and inorganic, domestic and international;
3. operational profitability;
4. strong, experienced, innovative and dedicated management team with a sense of urgency, driven by high energy and high integrity;
5. sustainable competitive edge and differentiation:
  - a leading and defensible market share;
  - substantial free cash flow;
  - a well-recognised brand name;
  - a scalable and hard to replicate business model with defensible margins;
  - a strong, dominant and defensible distribution channel;
  - a propriety concept/products with competitive advantages;
  - a patent.
6. Clear exit opportunities:
  - exit to financial/strategic buyer;
  - IPO prospects;
  - exit to founding shareholders.

### **Track record**

#### *10 Investments*

2000: (1) 2 system integrators (Probil and ITD);

2003: (3) Movie theatre chain (Cinemas) and (4) IP Convergence company (Nevotek);

2004: (5) Carpet and home accessories (Step);

2005: (6) Exhibition and fair company (Tuyap);

2006: (7) Fleet rental company (Beyaz);

2007: (8) Building company (Ode); (9) orthopaedic surgery company (Ortopro); and (10) dialysis services (Turkmed);

#### *2 Exits*

2006: Cinemas, to existing shareholders;

2007: Tuyap, to founding shareholders.

## *Kobi Venture Capital*

KOBI Girisim was established in 2004 with 21 shareholders (major shareholders are TOBB, Halkbank and KOSGEB). The main investment strategy of KOBI Venture Capital Investment Trust Inc. Co. is to contribute to the Turkish economy by supporting the projects that have the following features:

- competitive advantages through technological difference/improvements;
- products or services with a potential market for development;
- potential to develop or have already developed new products, approaches, systems or techniques.

### **Profile**

Contact	Tel.: + 90 312 285 50 00 Fax: + 90 312 286 21 00 E-mail: <a href="mailto:info@kobias.com.tr">info@kobias.com.tr</a> Website: <a href="http://www.kobias.com.tr">www.kobias.com.tr</a>
Shareholder(s)	Paid in capital: TRY 20 million (EUR 11.22 million): <ul style="list-style-type: none"> <li>▪ Turkish union of Chambers and Stock Exchange (TOBB) T.C. Halbank Inc. Co.</li> <li>▪ Small and Medium Industry Development Org. (KOSGEB)</li> <li>▪ Turkish Confereration of Craftsmen and Artisans (TESK)</li> <li>▪ Halk Financial Leasing Inc. Co.</li> <li>▪ Izmir Chamber of Industry</li> <li>▪ Ankara Chamber of Industry</li> <li>▪ Aegan region Chamber of Industry</li> <li>▪ Istanbul Chamber of Commerce</li> <li>▪ Adana Chamber of Commerce</li> <li>▪ Manisa Chamber of Commerce and Industry</li> <li>▪ Denizli Chamber of Industry</li> <li>▪ Bursa Chamber of Commerce and Industry</li> <li>▪ Adapazari Chamber of Commerce and Industry</li> <li>▪ Antalya Chamber of Commerce and Industry</li> <li>▪ Mersin Chamber of Commerce and Industry</li> <li>▪ Manisa Commodity Exchange</li> <li>▪ Erzurum Commodity Exchange</li> <li>▪ Samsun Chamber of Commerce and Industry</li> <li>▪ Giresun Chamber of Commerce and Industry</li> <li>▪ Balikesir Chamber of Industry</li> </ul>
Manager(s)	General Manager: Suleyman Yilmaz
Type of funding	50% venture capital, 50% growth capital

Average ticket	USD 1 million to USD 5 million
Business sector(s)	Industry

### ■ Application process

Entrepreneurs can submit projects on the company website (see "Application process"). Kobi is committed to responding to applicants within three weeks.

#### *Investment criteria*

The Entrepreneur Company should be classified as an SME.

The subject of investment should fulfil the following criteria;

- have high potential for creating a new and/or large market;
- be aimed towards sectors with high profit ratios and low competition;
- have a competitive advantage in personnel quality, technical capacity and its products and/or services.

And therefore, it should have a profitable business plan to offer. By comparing the expected cash creation of the company, the company should not have unbearable tax, Social Insurance Association premiums or bank debts for immediate payment.

#### *Eligible investment stages*

KOBI only supports innovative companies after their early stages. Pre-IPO financing will also be considered but it is not the fund's priority.

Projects are mainly:

- partnerships with companies that have consumed their initial capital and are in need of financial support for sales and marketing activities;
- partnerships with companies that manufacture or provide services and have started delivering goods but have not yet achieved profitability, or alternatively have achieved profitability and increased sales but need additional support to grow even further;

### ■ Track record

KOBI noted three main investments, all in machinery production for industry:

- Butek Machinery & Engineering Inc.,
- Makim Machinery Technologies Inc.,
- Intermak Machine Industry Inc.

## LeVenture

LeVenture is a venture capital company founded by entrepreneurs and business angels. Based in the heart of Istanbul, they are focused on internet and mobile technology companies.

### Profile

Contact	Arthur Rotshtain (based in London, UK): <a href="mailto:arthur@leventure.com">arthur@leventure.com</a> Cem Dalgic (based in Frankfurt, Germany): <a href="mailto:cem@leventure.com">cem@leventure.com</a> Esra Sezgin (based in Istanbul, Turkey): <a href="mailto:esra@leventure.com">esra@leventure.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ Managing partners</li> <li>▪ European Founders Fund Management GmbH.</li> </ul> First founding round was closed in July 2008
Manager(s)	Managing Partner: Arthur Rotshtain
Type of funding	Early stage equity
Average ticket	From EUR 250,000 to EUR 2 million
Business sector(s)	Communications and technology; Software and services; Media and entertainment

### Application process

LeVenture wishes to work with a company in its earliest stages, and act as the lead investor in a seed or first-round investment.

#### Investment criteria

- exceptional leadership with entrepreneurial flair and proven technical and business expertise;
- disruptive technology and the vision to create a new market, or gain a significant share of an existing market.

### Track record

Typical early-stage and high-growth opportunities companies in which LeVenture has invested:

- social communities, like BizimAlem.com or KolayArkadas.com
- classified advertising sites, like Bedava.com
- recruitment and career sites, like Mulakat.net
- online real estate service providers, the B2C handcraft portal, online car brokers.

LeVenture also supports companies in stepping from idea to company. This is made possible by their hardware partners Sun Microsystems and Dell Computers.

## Turkven Private Equity

Turkven has only one Turkish investor (the Technology Development Foundation of Turkey (TTGV)) and has raised the rest of its funds from international investors, with its assets totalling over USD 1000 billion. Turkven is a leading independent private equity fund in Turkey with a large team of 17 investment professionals. It manages Turkven Private Equity Fund I (TPEF I), launched in 2002 with shareholders such as EIB, TTGV, IFC, FMO, the National Bank of Greece and the German Development Bank for a capital. A second Fund TPEF II was raised by the same investors in 2007.

### Profile

Contact	Abdi Ipekci Caddesi Bostan Sokak No 15, Orjin Han K5, Nisantasi, 34367 Istanbul Tel.: + 90 212 291 56 30 Fax: + 90 212 291 56 36 Website: <a href="http://www.turkven.com">www.turkven.com</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ EIB</li> <li>▪ IFC</li> <li>▪ FMO (Dutch development bank)</li> <li>▪ National Bank of Greece</li> <li>▪ German Development Bank</li> <li>▪ Turkish Technology Development Foundation (TTGV)</li> </ul>
Manager(s)	Senior investor: Seymour TARI
Type of funding	Equity shares, long-term loans
Average ticket	n/a
Business sector(s)	Services, Technologies

### Application process

Contact Turkven for application information.

Target countries are those in the EU, the Middle East and other neighbouring markets. Turkven usually strengthens the Board of Directors with senior executives from the particular industry.

### Track record

Turkven can acquire a majority or minority stake in companies to create a more active and supportive shareholder base. The exit plan is within three to five years.

#### Majority share

- Provus (2007);
- Roma Plastik (2006): plastics industry;
- Uno (2003): industrial bakery.

*Minority share*

- Pronet Güvenlik (2006): security company;
- Trend Teknoloji and RetroMedia Interaktif (2005): mobile entertainment;
- Intercity (2004): car rental company

**Incubators and Business Angels**

***E-embrio***

E-embrio A.Ş. was established under Teknoloji Holding, a committed investor in technology and a corporation with the objective of being "the first place in Turkey to come to mind where technology is concerned".

They act as a private incubator, refining and nurturing the projects in which they invest. Their objective is to transform creative ideas into a successful investment first, and then into income.

**■ Profile**

Contact	Teknoloji Plaza, Eski Büyükdere Cad. Özcan Sok. No.2 34416 4.Levent, İstanbul Tel.: + 90 212 349 49 00 Fax: + 90 212 349 49 94 E-mail: <a href="mailto:bilgi@embrio.com.tr">bilgi@embrio.com.tr</a> Website: <a href="http://www.embrio.com.tr">www.embrio.com.tr</a>
Shareholder(s)	Teknoloji Holding
Manager(s)	General Manager: Hamit Kekeç
Type of funding	Equity
Average ticket	n/a
Business sector(s)	Online and technology businesses

**■ Application process**

Projects to be submitted online at: [www.embrio.com.tr/en/hangiprojeler.html](http://www.embrio.com.tr/en/hangiprojeler.html)

*Investment steps are:*

- application;
- pre-evaluation;
- approval of concept;
- investment decision/partnership agreement;
- development of infrastructure (fine-tune the concept);
- launch on the market;
- quarterly monitoring;

- incorporation.

*Target investments*

- online and mobile services;
- technology that cannot be duplicated easily by competitors;
- potential for rapid market growth;
- proper business model;
- high potential success in commercialising.

**Track record**

*Current investments*

- SuperTeklif, web-based marketing platform;
- KolayTedarik, an internet sales platform for the industry;
- Tio, e-shopping aggregating platform.

## Guarantee funds

### *KGF (Kredi Garanti Fonu)*

The main objective of KGF is to support SMEs by providing a guarantee for their financing and consequently increasing their credit usage in general.

#### ■ Profile

Contact	Address: Ceyhun Atuf Kansu Caddesi, 56.Sokak, No:18, Kat:3-4, Balgat, 06520 Ankara E-mail: <a href="mailto:info@kgf.com.tr">info@kgf.com.tr</a> Website: <a href="http://www.kgf.com.tr">www.kgf.com.tr</a>
Shareholder(s)	<ul style="list-style-type: none"> <li>▪ TOBB (The Union Chambers and Commodity Exchanges of Turkey): 50.04%</li> <li>▪ KOSGEB (Small and Medium Industry Development Organization): 48.54%</li> <li>▪ TESK (Confederation of Tradesmen and Craftsmen): 1.29%</li> </ul> <p><i>Other shareholders:</i></p> <ul style="list-style-type: none"> <li>▪ MEKSA: Foundation for the Promotion of Vocational Training and Small Industry</li> <li>▪ TOSYÖV: Turkish Foundation for Small and Medium Business</li> <li>▪ HALKBANK: State Bank for SMEs</li> </ul>
Manager(s)	n/a
Type of funding	Guarantee for all types of loans that will be used for operational requirements for enterprises
Average ticket	Guarantee limit is TRY 750.000 (EUR 422 K) per SME or risk group. KGF guarantees 80% of the loan.
Business sector(s)	All sectors, preferably innovative and high tech. Only SMEs (with less than 250 people employed).

#### ■ Application process

Applications are made through the entrepreneur's bank.

The cost of the guarantee is:

- 3% for loan guarantees;
- 2% for non-cash guarantees.

Commission rates for loans under EIF counter guarantee are:

- 2% for loan guarantees;
- 1.5% for non-cash guarantees.

## Support programmes for funding SMEs

### *KOSGEB – New Entrepreneur Support*

This measure, started in 2003, aims to promote and disseminate the culture of entrepreneurship by financially supporting the establishment of successful enterprises. Grant support is provided for starting up the business. Fixed investment costs are financed as grants if the equipment and machinery are leased; otherwise they are financed as loans. Upper limits for grants and loans are EUR 6,250 and EUR 25,000, respectively.

#### Profile

Contact	Address: Abdulhak Hamit Cad. No: 866 06470 Altmışevler, Ankara Tel.: + 90 312 595 28 00 Fax: + 90 312 368 07 15 E-mail: <a href="mailto:bilgi@kosgeb.gov.tr">bilgi@kosgeb.gov.tr</a> Website: <a href="http://www.kosgeb.gov.tr">www.kosgeb.gov.tr</a>
Shareholder(s)	State programme
Manager(s)	n/a
Type of funding	Grants and loans to support equipment purchases and operational costs other than fixed investments and staff expenses. Entrepreneurs should also be able to provide collateral for loans.
Average ticket	<ul style="list-style-type: none"> <li>▪ Up to EUR 2,500 for start-ups</li> <li>▪ Up to EUR 6,250 for investments</li> <li>▪ Up to EUR 25,000 for loans</li> </ul>
Business sector(s)	No sector focus

#### Application process

##### *Eligible companies*

- graduates from KOSGEB's "Young Entrepreneur Development Programme";
- entrepreneurs located in Business Development Centres;
- entrepreneurs that have prepared a business plan successfully under the "Small Business Start-up Consultancy Support" from KOSGEB.

#### Track record

n/a

## *Technology and Innovation Funding Programs Directorate (TEYDEB)*

Aiming to speed up the process of conversion of technology to profit, Technology and Innovation Funding Programs Directorate (TEYDEB) was established by the Scientific and Technical Research Council of Turkey to fund the technology development and innovation activities of the companies in Turkey. Thus, it aims to increase research-technology development capability, innovation culture, and competitiveness of Turkish companies. In line with these objectives, TEYDEB designs and executes various funding programs.

### ■ Profile

Contact	TEYDEB (Teknoloji ve Yenilik Destek Programları Başkanlığı) Address: Atatürk Bulvarı No: 221 06100, Kavaklıdere, Ankara Tel.: + 90 312 467 1801 + 90 312 467 3295 Fax: + 90 312 427 4305 E-mail: <a href="mailto:teydeb@tubitak.gov.tr">teydeb@tubitak.gov.tr</a> Website: <a href="http://www.teydeb.tubitak.gov.tr">www.teydeb.tubitak.gov.tr</a>
Shareholder(s)	Scientific and Technical Research Council of Turkey
Manager(s)	n/a
Type of funding	Grants
Average ticket	Depending on the programme — see below
Business sector(s)	There are currently five technology groups in TEYDEB, to evaluate and monitor R&D projects in their domains and assist companies to bring their project ideas to maturation: <ul style="list-style-type: none"> <li>▪ Machinery and manufacturing</li> <li>▪ Electrical and electronics</li> <li>▪ Material, metallurgical and chemical</li> <li>▪ Biotechnology, agricultural, environmental and food</li> <li>▪ Information technologies</li> </ul>

### ■ Application process

TEYDEB undertakes several support programmes in line with its objectives. All the programmes are open to any Turkish applicants and branches of international firms legally established in Turkey as Turkish firms.

Contact TEYDEB directly to apply.

- Industrial R&D Funding Programme: funds national R&D projects offered by Turkish companies. The grant ratio provided by this programme can be up to 60% of a project's budget, and support duration of the projects is 3 years' maximum.

- The EUREKA Programme is mainly based on the "Industrial R&D Funding Program" and its aim is to support EUREKA projects in a favourable way; this means that 60% of the eligible costs of these projects are provided to the companies as a grant.
- SME Funding Programme: funds the first two projects of SMEs with a higher ratio (75% of eligible costs for each project will be provided to company as a grant). Only SMEs that have not previously received grants from TUBITAK can apply for the grant; and their first two projects' budget of up to TRY 400,000 (approximately EUR 210,000) will be supported. The duration of support for a project cannot exceed 18 months.
- Techno-entrepreneurship Funding Programme: the programme aims to support young entrepreneurs to realise their innovative and R&D project. Students are welcome to apply for this programme. Projects proposed by young entrepreneurs with a budget up to TRY 100,000 (approximately EUR 50,000) will be supported and the duration of the supported project cannot exceed 12 months.

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## ***TTGV – Start-up Support***

Set up in 2006, this programme aims is to invest in talented entrepreneurs that have creative, unique and advanced-technology ideas and vision. The programme is being implemented by the Technology Development Foundation of Turkey (TTGV) and seeks leading-edge technologies and rational business models. TTGV assess the risks of the target-market sector and those inherent in early-stage companies, to find companies that have a clear path to success. Start-up support is provided to entrepreneurs for implementing their business plans.

### **Profile**

Contact	Address: Türkiye Teknoloji Geliştirme Vakfı Cyberplaza B-Blok Kat:5-6 Bilkent, Ankara Tel.: + 90 312 265 02 72 Fax: + 90 312 265 02 62 E-mail: <a href="mailto:info@ttgv.org.tr">info@ttgv.org.tr</a> Website: <a href="http://www.ttgvl.org.tr/en">www.ttgvl.org.tr/en</a>
Shareholder(s)	TTGV
Manager(s)	n/a
Type of funding	Equity capital
Average ticket	Up to EUR 340,000
Business sector(s)	Technology

### ■ **Application process**

In order to apply for this support, a business plan must be presented by the applying company or entrepreneur.

Innovative business ideas in high-tech fields with high-quality business plans are eligible for support. The business plan must have the following characteristics:

- capable management team: people with extensive domain knowledge of their technology and market, and entrepreneurial vision and drive;
- large market potential: products which address dynamic markets of substantial size with high growth rates;
- products and companies that could have global market potential;;
- market edge: leading-edge or breakthrough technology with a proprietary and/or a leadership position;
- exit strategy: viable strategies to obtain liquidity. Natural merger or acquisition opportunities and clear paths leading to a successful public offering must be evident;
- return on investment: an opportunity for an investment return of at least 10 times the invested total in 4 to 7 years.

### ■ **Track record**

n/a

## Institutions and associations

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### *Finansbank*

Finansbank is one of the main Turkish investment banks, with 413 branches across Turkey. The bank is active in Turkey, Switzerland, the Netherlands, France, Germany, Belgium, Russia, Romania, Ireland and Bahrain. It has been selected by several international institutions and cooperation agencies to carry their SME supporting programmes.

#### ■ Profile

Contact	Contact can be made through any of the 265 branches. Website: <a href="http://www.finansbank.com.tr">www.finansbank.com.tr</a>
Shareholder(s)	n/a
Manager(s)	CEO: Ömer Aras
Type of funding	Loans under the German Development Bank and French Proparco and European Investment Bank programmes, and Credit Guarantee under KGF (see description in the "Guarantee funds" section)
Average ticket	EUR 40,000 to EUR 25 million for the EIB programme
Business sector(s)	All

#### ■ Application process

Available through Finansbank branches.

#### ■ Track record

n/a

## *Halkbank*

Halkbank was the first institution in the Turkish banking industry to focus on the needs of tradesmen and artisans, and of small businesses.

### ■ Profile

Contact	T. Halk Bankasi A.S. Address: 2nd Street No: 63 06520 Söğütözü, Ankara Tel.: + 90 312 289 20 00 Website: <a href="http://www.halkbank.com.tr">www.halkbank.com.tr</a>
Shareholder(s)	State
Manager(s)	Deputy General Manager SME banking: Dr. Şahap Kavcioglu
Type of funding	From short-term working capital loans to long-term financial assistance solutions
Average ticket	n/a
Business sector(s)	All

### ■ Application process

The bank serves SMEs with turnover between TRY 1 million and TRY 7.5 million (EUR 560,000 to EUR 4.2 million).

Applications can be made via the bank branches or via customer service (see phone number above).

### ■ Track record

n/a

## *TurkVca*

TurkVca, the Turkish Private Equity and Venture Capital Association, aims to promote and help develop the Venture Capital industry in Turkey. The Association hopes to work closely with investors, entrepreneurs, policy makers and industry leaders.

### Profile

Contact	<p>TurkVca (Turkish Venture Capital and Private Equity Association)</p> <p>Address: Vişnezade Mah. Süleyman Saba Cad. Altınbaşak Apt. No 54, Kat: 3, Daire: 9 Beşiktaş, İstanbul</p> <p>E-mail: <a href="mailto:contact@turkvca.org">contact@turkvca.org</a></p> <p>Website: <a href="http://www.turkvca.org">www.turkvca.org</a></p>
Member(s)	<p>The TurkVca members have several roles:</p> <ul style="list-style-type: none"> <li>▪ managers of VC/PE funds active in Turkey</li> <li>▪ corporate finance professionals</li> <li>▪ state regulatory institution employees</li> <li>▪ lawyers</li> <li>▪ members of management at holding companies active in corporate venturing</li> <li>▪ academicians</li> <li>▪ managers of venture funded companies</li> </ul>
Manager(s)	<p>Chairman of the Board: Levent Bosut</p> <p>General Secretary: Umut Kolcuoğlu</p>

Medibtikar – Euromed Innovation and Technology Programme- is a programme funded by the European Commission and supervised by European Commission Delegation in Cairo. It is managed by a consortium lead by Intrasoft International from the operational base in Cairo and includes ANIMA investment Network, BDPA, CKA, PLANET and ZENIT.

The objective of Medibtikar is to contribute to the development of innovation in the MEDA countries (Algeria, Egypt, Israël, Jordan, Lebanon, Morocco, Palestinian Authority, Syria, Tunisia, Turkey) and to help Mediterranean companies participating in innovation projects in collaboration with European Partners.

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