A MAPPING OF TANZANIAN HUBS AND INNOVATION SPACES

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INTRODUCTION

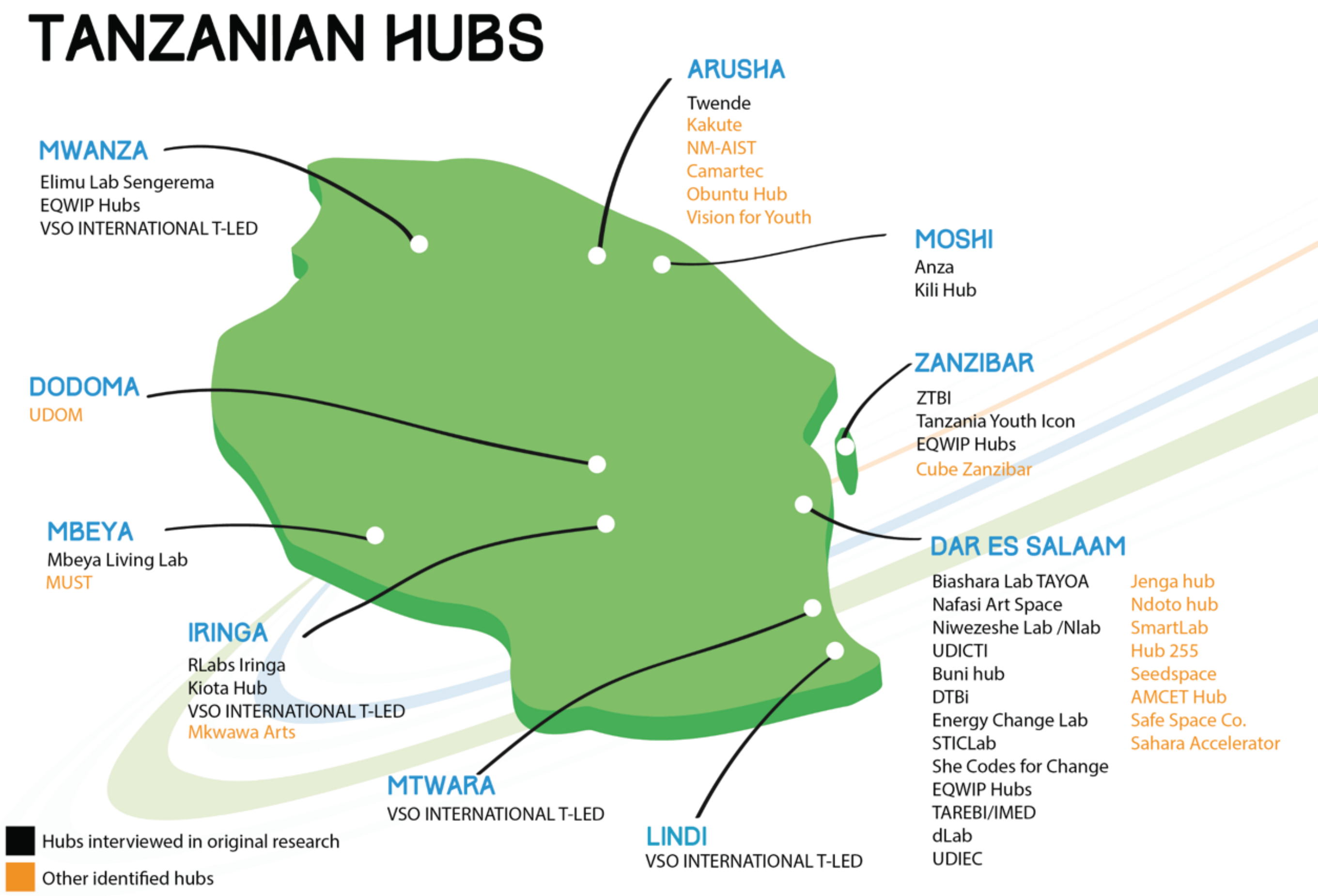
HDIF and the Tanzania Commission for Science and Technology (COSTECH) work together to realise a shared goal: to foster innovation and the effective use of technology for human development in Tanzania. This working partnership aims to help foster a stronger innovation ecosystem, a key part of which is supporting innovation spaces such as business incubators, hubs, labs, and co-working spaces. Here, we use theword 'hub' to encompass all the different models: business incubators, co-working spaces, living labs, makerspaces, and other innovation spaces. Hubs are key actors in the evolving innovation ecosystem.COSTECH hosts within its premises one of Tanzania's major hubs – Buni Hub – which it established with financial and technical support from Finland in 2011. COSTECH's vision is to transform Buni into a model 'Hub of Hubs', creating a central node that can offer support to other hubs, labs, and innovation spaces nationally. To aid COSTECH in achieving this vision, HDIF undertook a study of innovation spaces in Tanzania to gain a better understanding of their ambitions, the challenges they face, and to identify their support needs. This study was limited to organisations physically located in Tanzania, with face-to-faceactivities driving innovation in some way.HDIF collected data from 23 hubs through this study. At the time of writing (September 2018), there were approximately 35–40 active hubs in the country, of which morethan half are in the greater Dar es Salaam region. Most of the hubs are indicated on the http://innovate.co.tz map; see the Annex for a list of the hubs identified so far.

"A business incubator supports the growth of early stage companies with coaching, training, and other services"

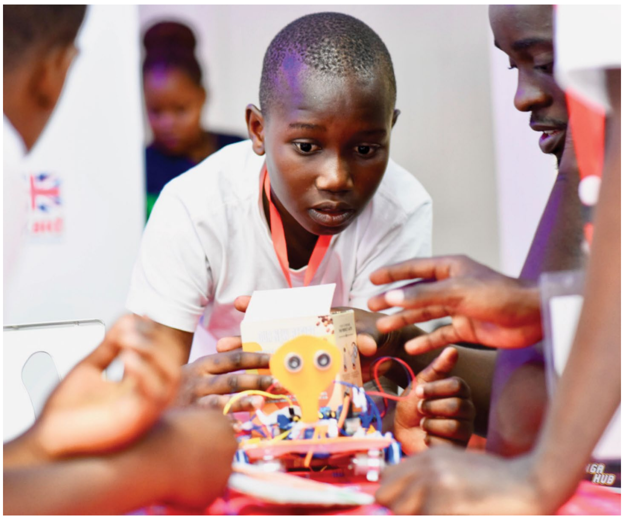
"A co-working space offers shared office space for freelancers, entrepreneurs, etc."

"A living lab is a user-centred, open - innovation, public–private people partnership, often focused on community-driven innovation"

"A makerspace is a place where people with shared interests, especially in computing or technology, can gather to work on projects while sharing ideas, equipment, and knowledge"



METHODOLOGY



The first phase was in 2017 when the initial data was collected from 23 hubs through structured interviews, either in person or by email if a face-to-face meeting was not feasible. The goal was to develop a general understanding of how hubs are set up and funded, what services they offer, and to whom. The second phase of the analysis was carried out through two hub workshops during Innovation Week in May 2018: an open session discussing the results of the first phase of the data collection, and a closed session for hubs only. These two events were attended by representatives from 19 hubs, not all of which initially supplied data. This report presents data from both data collection stages. The closed workshop for hubs explored five facilitated themes: Focus and Services, Defining and Measuring Success, Revenue and Funding, Learning and Sharing, and Reflection and Insight. The results were analysed by HDIF for research purposes.

FINDINGS FROM THE INTERVIEW PHASE

Out of the 23 hubs interviewed, 13 are located in Dar es Salaam. Most of the hubs were established after 2010, and the number of hubs has increased steadily since, although at least seven hubs have since closed their doors. Although the hubs are heterogenic in terms of operations, target groups, services, and business models, they can be grouped together in three main categories:

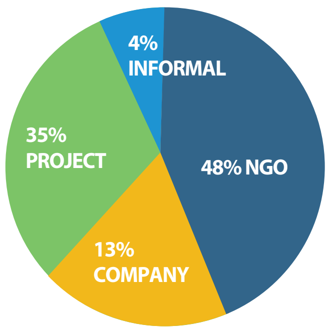
The first group comprises somewhat professionally run hubs with a budget, board, technology or sector focus and at least some full-time employed staff.

The second group consists of the more informal, community-driven hubs that focus on skills, employability, and human and community development, surviving mostly on volunteer work.

The third group is made up of non-independent hubs either owned and run by other organisations such as universities and COSTECH, or hubs which are started and run as part of donor projects and are not necessarily intended to be permanent.

All 23 hubs had a permanent space from which they operate; approximately 40 per cent are hosted by another organisation and do not control the space or the events and activities that are hosted there.

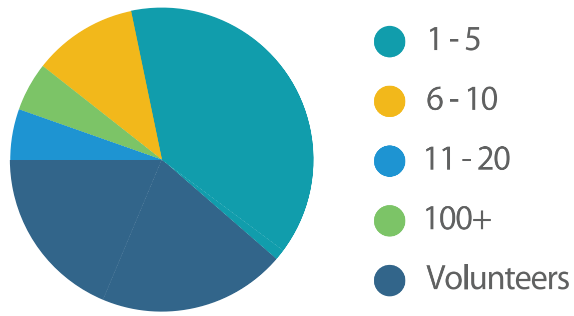
Sixty-one per cent of the hubs are **set up formally** either as an NGO or as a business, and **57 per cent** have a **board** that steers the hub's operation. Other hubs are mostly run as projects that are part of a larger organisation whose main purpose is something other than a hub, and a few are informal community organisations. The hubs that are not formally set up as independent organisations may face significant challenges in terms of income generation and sustainability, as typically the parent organisation either funds the activities for a limited period or with very limited resources as the focus of the organisation is elsewhere.



Types of Hubs.

Most of the hubs are targeting a specific audience or user group. User group themes include women, social enterprises, artists, youth, ICT start-ups, agribusiness companies, and growth businesses, with young people clearly being the most common focus. Roughly a **third** have a specific **technology or industry criteria**, i.e. ICT, agribusiness, etc. Just under half of the hubs serve only businesses or start-ups; the remainder also accept individual participants, and conversely there are a few which serve only individuals, and not businesses.

Roughly **two-thirds of the hubs have five or less staff.** Typically, some of the staff are paid and some work on a voluntary basis, but several hubs rely entirely on volunteers. **Half of the hubs have an annual budget,** and the rest either work on a project budget basis or have **no budget at all** and just improvise. **Sixty-five per cent** of the hubs received **either donor or government support** in the form of direct financial assistance or, for example, free space.



Amount of staff varies from volunteers only to nearly 100.

30%

Only 30 per cent of the hubs **charge their users** for any service they provide. Most of them recognise that this is not sustainable but find it difficult to start charging for services after the users have become accustomed to receiving everything for free. Some hubs collect a percentage of the revenue that their users generate from sales, while others are generating income by selling items made in the hub.

The services offered by the hubs vary greatly due to the variance in operating models and target groups; **83 per cent** offer a **physical workspace.** A few hubs generate the majority of their income from space rental, others offer space without collecting rent with the expectation of a contribution to cover some running costs, such as internet and electricity.

83%

65%

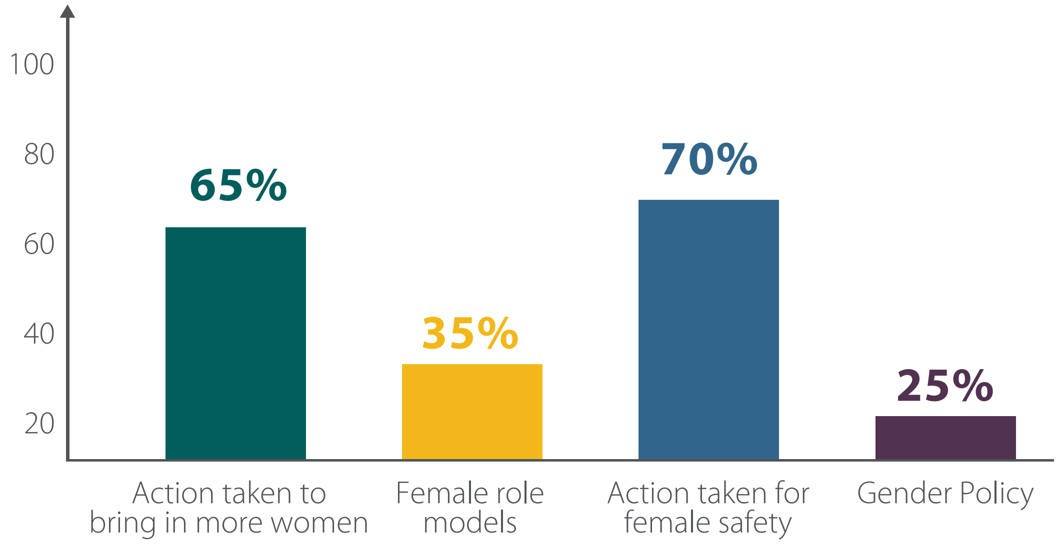
Internet access is available in **65 per cent** of the hubs. Half of the hubs organise **community events**, and at the time of the interviews these were all free for the users to participate in or included in the fees they pay for other services.

Training or short courses are offered by **83 per cent** of the hubs, for which only a few hubs collect a participation fee. Several of the hubs were considering accreditation of the courses and charging fees.

83%

GENDER

Most hubs acknowledged that they would like to have more female users and were keen to do more in that regard. **Sixty-five per cent** had already taken some **action to bring in more women**, and **70 per cent** had taken concrete action to make sure **girls and women feel safe** coming to the hub. Only **25 per cent** of the hubs had a **gender policy. Thirty-five per cent** of the hubs said they make a point of engaging female staff and facilitators to provide **role models for women and girls.**



SUSTAINABILITY

The hubs were also asked about their challenges and future plans. The most common challenges related to **financial sustainability** and revenue streams, and to the consequent **lack of long-term strategy** and high turnover of staff. A few acknowledged that attracting the right clients was challenging, and some recognised that university students might not be the best target group after all, as they may not be ready, willing or able to become entrepreneurs. Trying to do too many things was quoted as another challenge.

Common future plans focused on offering more paid services and **becoming self-financed** through **hosting events, trainings and services for a fee.** When asked what kind of support would be helpful, the hubs naturally mentioned financial aid, but they would also welcome assistance with capacity building. Input on **how to manage a hub** and **how to develop programmes** were considered to be most valuable, as well as exposure to models that could be replicated and the practices of **sustainable hubs and incubators.** In addition, support regarding awareness raising, marketing, political **buy-in and connections** was requested.

FINDINGS FROM THE WORKSHOP PHASE

During Innovation Week in May 2018 an invitation only, closed event was held for hubs to discuss ideas, share experiences, and learn from each other. During the time between the interview phase and Innovation Week, COSTECH had carried out some outreach and training to universities interested in starting hubs. These universities were also invited to participate, and they are listed as new hubs in the Annex, even though some of them are just starting their hub activities.

The hubs were presented with the findings from the interview phase and asked to select three of the mentioned words which **best described their hub's focus**. The words with most mentions were Innovation (11 mentions), Entrepreneurship (9) and Technology (8), followed by Students (7) and Youth (5). This slightly differs from the interview data where youth and students were more prominently featured. In discussion, some of the hubs said they had not really thought about their focus in any structured manner before the event.

The hub representatives were also asked: 'If there was funding available for hubs in Tanzania, what are the key areas you would cover?' Most people prioritised implementing new programmes as the most important funding target, followed by investments in physical working space, machinery, etc. Funding basic running costs was not seen to be as important. This supports the earlier findings where the hubs considered that implementing new programmes and services would help them to move closer to becomingfinancially sustainable.

60%
of participants
feel that implementing new programmes is the most important target for funding.

Hub representatives were also asked how they thought the funding should be allocated. The highest priority was given to traditional funding based on applications and budgets, followed closely by funding tied to reaching milestones. Neither fixed size grants, nor variable grant sizes (based on a hub's location) were popular. More detailed future plans varied greatly as some hubs had been in operation for nearly 10 years, while others were in the process of starting up. At the end of the workshop there was discussion on the hubs potentially organising themselves as a network, and interested hub representatives stayed behind to have a more detailed talk. They concluded that being part of a hub network would be beneficial, but said that they lack the necessary skills and resources to start and run it and so they would need assistance.

CONCLUSION

Many of the hubs and labs in Tanzania have been created by passionate individuals rather than by institutions. The early stages of running a hub are typically challenging, and the tenacity of individuals has been crucial to grow and sustain them to a point where they start attracting partners, clients, and other outside support. Even though some hubs have grown and established themselves largely alone, there are also local clusters of innovation activity which have supported and catalysed hubs. One example is Iringa, having an active NGO community, university and the two hubs, with very active collaboration and networking between them. Another cluster is in the Moshi/Arusha area with Kilihub, Twende, universities, and, for example, several HDIF grantees based in this area.

Tanzania has a fairly lively hub scene that includes hubs, incubators, makerspaces, and living labs. New hubs are constantly being founded, while the old ones still struggle with sustainability and skills. There continues to be demand for new hubs, new business and operational models, and support for hubs from the government, donors, and the private sector. Government ministries and other governmental organisations are looking into what should be the role of the government regarding hubs. The next generation of hubs seems to be coming largely from two groups: universities are setting up hubs to serve their students and staff, while companies are setting them up to test and complement their current products and services, to connect with start-ups, and to demonstrate social responsibility.

Hubs play a significant role in Tanzania's innovation ecosystem but they are far from being sustainable and realising their full potential. Hubs would benefit from closer networking and representatives have indicated their need for help to organise a Tanzanian hub network to enable stronger peer support mechanisms. Most of the learning needs the hubs expressed related to **practical management** of a hub or an incubator, to **sustainability**, and to **specific technologies.**

Both donors and investors could support better linkages between hubs as well as between hubs, the private sector, government, and civil society. Any investment should be combined with technical assistance that supports the individual needs of hubs in order to build their capacity to deliver the activities and services that they provide and support the important role they play in the ecosystem.

ANNEX: LISTING OF HUBS IN TANZANIA

Some of the hubs listed are still being developed, and websites and even names may change. This list is the situation in September 2018.

Hubs interviewed in original research:

Biashara Lab TAYOA	Dar es Salaam	http://www.tayoa.org/tayoa/
Nafasi Art Space	Dar es Salaam	http://www.nafasiartspace.org
Niwezeshe Lab/Nlab	Dar es Salaam	http://www.niwezeshelab.org
UDICTI	Dar es Salaam	http://udicti.coict.udsm.ac.tz
Buni Hub	Dar es Salaam	http://buni.or.tz
DTBi	Dar es Salaam	http://teknohama.or.tz
Energy Change Lab	Dar es Salaam	https://www.energychangelab.org
STICLab	Dar es Salaam	https://sticlab.co.tz
She Codes for Change	Dar es Salaam	http://shecodesforchange.org
EQWIP Hubs	Dar es Salaam*	http://eqwiphubs.org
TAREBI/IMED incubator	Dar es Salaam	https://imedtz.org/renewable-energy-incubation-program/
dLab	Dar es Salaam	https://dlab.or.tz
UDIEC	Dar es Salaam	https://www.udsm.ac.tz
Twende	Arusha	http://www.twende-tanzania.org
VSO INTERNATIONAL T-LED	Mtwara**	http://www.t-led.co.tz
Mbeya Living Lab	Mbeya	https://www.facebook.com/MbeyaLivingLab/
Rlabs Iringa	Iringa	https://www.facebook.com/rlabsiringa/
Kiota	Iringa	https://www.facebook.com/KiotaHub/
VSO INTERNATIONAL T-LED	Iringa**	http://www.t-led.co.tz
Elimu Living Lab Sengerema	Mwanza	https://www.facebook.com/Elabs.tz/
EQWIP Hubs	Mwanza*	http://eqwiphubs.org
VSO INTERNATIONAL T-LED	Mwanza**	http://www.t-led.co.tz
Anza Accelerator	Moshi	http://anza.co.com
Kilihub	Moshi	https://www.kilihub.com
VSO INTERNATIONAL T-LED	Lindi**	http://www.t-led.co.tz
ZTBI	Zanzibar	https://www.facebook.com/Zanzibar-Technology-and-Business-Incubator-1620979334781381/
Tanzania Youth Icon (TAYI)	Zanzibar	https://www.facebook.com/tayi11/
EQWIP Hubs	Zanzibar*	http://eqwiphubs.org

Other identified hubs:

Jenga Hub	Dar es Salaam	http://jengahub.com
Ndoto Hub	Dar es Salaam	http://www.ndotohub.com
SmartLab	Dar es Salaam	http://smartlab.co.tz
NameOurHub/Hub 255	Dar es Salaam	http://nameourhub.com
Seedspace	Dar es Salaam	https://www.seedspace.co/cities/tanzaniadaressalaam/
AMCET Hub	Dar es Salaam	http://amcethub.almaktoum.ac.tz
Safe Space Co	Dar es Salaam	https://www.safespacetz.com
Sahara Accelerator	Dar es Salaam	https://saharaventures.com/saharaaccelerate.html
Kakute	Arusha	http://kakute.org
NM-AIST	Arusha	http://www.nm-aist.ac.tz
Camartec	Arusha	http://www.camartec.go.tz
Obuntu Hub	Arusha	https://obuntuhub.co.tz
Vision for Youth	Arusha	http://v4y.org
Saint Augustine University	Mwanza	https://saut.ac.tz
UDOM	Dodoma	https://www.udom.ac.tz
MUST	Mbeya	https://www.mustnet.ac.tz
Mkwawa Arts	Iringa	https://www.facebook.com/mkwawarts/
Cube Zanzibar	Zanzibar	https://www.facebook.com/cubezanzibar/

A number of newly launched hubs were identified, and yet more were soon to be launched, so it is almost impossible to say what the exact number of hubs is at any one time.

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