Business Incubation Development Program
Who are we?

- Subsidiary of “Baiterek Holding” (under the Ministry of Industry)
- Till March 2019 – National Agency for Technological Development (NATD)
- Mission: Promoting the development of technological entrepreneurship through venture financing, business incubation and technology consulting.
- Key activities:
  1. Support of Business incubators
  2. Venture financing
  3. Technology consulting
Business Incubators in Kazakhstan

Total 18 incubators:
1. Almaty – 7
2. Nur-Sultan – 5
3. Karaganda – 3
4. Uralsk – 1
5. Pavlodar – 1
6. Kostanay – 1

Ownership:
• public 6
• private 10
• mixed 2

Intermediate results:
• 56 startups expanded to CIS
• 13 startups expanded abroad (other than CIS)
• 15 incubators have international partners
• 51 startups attracted investment in 2019

From 18 incubators only 6 attracted investments above $US100,000

*Based on QazTech Ventures survey in July 2019
## International Statistics in Business Incubation

<table>
<thead>
<tr>
<th>Country</th>
<th>Population</th>
<th>Amount of Incubators</th>
<th>Incubators per 1 mln. people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>5.5 mln</td>
<td>82</td>
<td>14.9</td>
</tr>
<tr>
<td>Israel</td>
<td>8.5 mln</td>
<td>90</td>
<td>10.6</td>
</tr>
<tr>
<td>UK</td>
<td>66.5 mln</td>
<td>368</td>
<td>5.5</td>
</tr>
<tr>
<td>Singapore</td>
<td>5.8 mln</td>
<td>28</td>
<td>4.8</td>
</tr>
<tr>
<td>Estonia</td>
<td>1.3 mln</td>
<td>6</td>
<td>4.6</td>
</tr>
<tr>
<td>South Africa</td>
<td>58.1 mln</td>
<td>58</td>
<td>1</td>
</tr>
<tr>
<td>Russia</td>
<td>145 mln</td>
<td>109</td>
<td>0.7</td>
</tr>
<tr>
<td>Poland</td>
<td>38.6 mln</td>
<td>12</td>
<td>0.31</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>18 mln</td>
<td>6</td>
<td>0.3</td>
</tr>
</tbody>
</table>

**Conclusion:** Business incubation system should be developed as a base for startup ecosystem

*Information from open sources*
Business Incubation Development Program

COFINANCING OPERATIONAL COSTS 50% UP TO $US 90 000

1. Salary
2. Rent
3. Utilities & Communication
4. 3rd party services for project selection and support

METHODOLOGICAL SUPPORT OF INCUBATORS BY HIRING FOREIGN STRATEGIC PARTNER

Methodological support includes:

- Trainings and capacity building workshops
- Consulting;
- Organizational support advisory;
- Problem diagnosis and niche identification services;
- Problem solving consultation;
- Startup selection consultation
Business Incubators Selection

1. Conditions
   - Space (not less than 250 sq. meters)
   - Qualified personnel (at least 5 people)
   - Financial sustainability (at least 6 months self-sustainability without state financial support)
   - Partnership with academic institutions in Kazakhstan

2. Acceptance of applications by QTV

3. Decision Making:
   by board of specialists including ministry officers, field experts and international experts based on the following criteria:
   - Number of graduates
   - Number of startups ready for incubation
   - Infrastructure
   - Essay and interview

4. Signing the agreement
   Between «QazTech Ventures» with selected incubators and formulating KPI:
   - Search and consideration of 100 business ideas
   - 50 entrepreneurs who received trainings
   - 8 successful residents who applied for state grants
   - 3 startups which received state grants or received investments
Grant funding for incubators startups

- Selecting startups for residence
  - Screening of startups by incubators within demo days etc.

- Incubation
  - Project development, business model formulation, prototype of product or service
  - 80% of project cost up to $US 130,000

- Grant application
  - Technical, financial and legal assessment
  - Selection of startup projects for funding

- Evaluation & Selection
  - Monitoring of fund spending and agreement execution

- Monitoring
  - Providing next round financing by Venture Fund

- VC
1. **12 applications** received from 6 regions (Nur-Sultan, Almaty, Pavlodar, Karaganda, Kostanay, Uralsk)

2. **3 business incubators** selected (Nur-Sultan and 2 in Almaty)

3. Specialists from 3 incubators received trainings by **FRII Accelerator** (Moscow)

As a result of the support:

1. Number of residents
   - x 4.6 times

2. Amount of events (pitch, training etc.)
   - x 10.4 times
Plans for further development of the ecosystem

• Creation of Business Incubators Association for Kazakhstan (Central Asia) in order to create universal industry standards
• Provision of first series of grants to residents of incubators in 2020
• Opening of 2 venture funds together with foreign international partners for startup funding for next rounds
• Stimulation of opening of corporate incubators within large companies
• Stimulation of opening of university incubators under large institutes