

Foresight brief series

Shaping the future of an African venture capital landscape



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ISBN

978-92-61-42621-7 (PDF version)

978-92-61-42631-6 (EPUB version)



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Foresight Brief Series

Shaping the future of an African venture capital landscape

A product of the Innovation and
Entrepreneurship Alliance for
Digital Development initiative
under the Telecommunication
Development Bureau



Acknowledgments

This report is part of the International Telecommunication Union (ITU) Foresight Brief Series, a product of the ITU Telecommunication Development Bureau (BDT) under the Innovation and Entrepreneurship Alliance for Digital Development (the Alliance) initiative. It was led and written by Mr Rafael Popper under the supervision of the Digital Transformation Lab of the Alliance, and produced with support from the Republic of South Africa G20 Digital Innovation Ecosystem Development Working Group, which is led by the Department of Communications and Digital Technologies (DCDT).

The report contributes to the ITU Development Sector (ITU-D) priority of digital transformation and supports the efforts of Member States to integrate innovation into their national development agendas. It could not have been completed without the support of the Digital Innovation Board and their focal points, and the Expert Network of the Alliance, whose valuable feedback and contributions greatly enriched the analysis presented.

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Foreword



Venture capital (VC) plays a pivotal role in unlocking the full potential of innovation ecosystems. By fuelling the growth of startups and small and medium enterprises (SMEs), it accelerates job creation, increases competitiveness, and supports the development of solutions that address pressing societal challenges. In Africa, where capital flows remain constrained despite the entrepreneurial dynamism, strengthening the VC landscape is a pathway to inclusive, sustainable, and future-ready growth.

This foresight brief, a product of the Innovation and Entrepreneurship Alliance for Digital Development, reimagines how investment ecosystems can be built and scaled to meet the continent's needs, envisioning equitable futures and guiding the development of such scenarios to make the digital ecosystem future-ready and competitive.

Digital transformations, demographic shifts, and global economic realignments are reshaping the opportunities and risks faced by entrepreneurs and investors alike. Foresight helps anticipate these changes, stress-test strategies, and design policies that mobilize capital, equip local fund managers, and strengthen trust between stakeholders. With inclusive and transparent practices, the VC ecosystem in Africa can become a catalyst not only for enterprise development, but also for achieving the UN Sustainable Development Goals.

At the same time, building a robust VC landscape is about more than mobilizing finance. It requires enabling environments where diverse entrepreneurs, such as women, young people, and those in underserved regions, can gain access to the capacity, resources, networks, and markets needed to thrive. It is about establishing the regulatory clarity, digital infrastructure, and governance mechanisms that inspire the confidence to make long-term investments. Above all, it is about fostering collaboration between governments, development finance institutions, private investors, and civil society to ensure that innovation financing is both inclusive and resilient.

The ITU Telecommunication Development Bureau remains committed to supporting its membership on this transformative journey. I look forward to seeing how this report will inform national priorities and inspire action. We stand ready to work with all stakeholders to translate the insights presented here into practice and build VC ecosystems that are inclusive, innovative, technology-proof, and future-ready.

A handwritten signature in black ink, reading "Dr. Cosmas Luckyson Zavazava".

Dr. Cosmas Luckyson Zavazava
Director, Telecommunication Development Bureau (BDT)
International Telecommunication Union

Foreword

Venture capital (VC) is a critical lever for unlocking the growth potential of startups and innovation ecosystems. In Africa, where entrepreneurial dynamism is strong but access to financing limited, strengthening the VC landscape is essential to building inclusive, sustainable, and future-ready economies.

This foresight brief provides a timely analysis on how strategic foresight can support Africa in designing resilient and equitable investment ecosystems. It calls for mobilizing capital, supporting leaders of local funds, enhancing digital infrastructure, and strengthening governance frameworks. Importantly, the brief underscores that venture financing must serve broader development goals, including empowering women and young people, expanding digital equity, and driving renewal across key sectors such as agriculture, health, clean energy, and mobility.

On behalf of the ITU Digital Innovation Board, I commend this study as a significant step in advancing our shared understanding of inclusive innovation financing. I hope its recommendations will inspire collaborative action across governments, investors, and communities to ensure that the VC ecosystem in Africa becomes a powerful catalyst for sustainable growth and shared prosperity.

Dr. Neeraj Mittal
Secretary (Telecom), Government of India
Co-Chair, Digital Innovation Board

Executive summary

The VC landscape in Africa stands at a pivotal moment. Despite being a recognized engine of job creation and innovation, the continent only attracts about 1.5 per cent of global venture funding, a stark contrast to other parts of the world such as the countries that make up the Association of Southeast Asian Nations (ASEAN), which drew close to 8 per cent of such funding in 2024. Venture capital is both a bottleneck and a lever for the digital transformation of Africa, with the potential to unlock inclusive growth, resilience, and sustainable development.

Recent years have seen encouraging momentum. Africa-domiciled investment vehicles accounted for 41 per cent of VC funding raised in 2023, and venture debt issuance reached USD 1 billion, reflecting a shift by founders towards non-dilutive capital. Challenges persist though, such as the concentration of funding in a handful of countries, policy and currency volatility, and fragmented legal and data regimes that increase friction and depress valuations. The African Development Bank (AfDB) estimates that the amount required to meet the annual investment gap and achieve the continent's development goals is roughly USD 402 billion, underscoring the urgency for a more equitable and strategic mobilization of capital.

The critical trends currently shaping the future of the African VC landscape are:

- the rapid expansion of Africa's youth population, with more than 70 per cent of people under the age of 30 and the labour pool set to grow by 30 million people annually up to 2040. This demographic dividend, if harnessed, can drive innovation in sectors such as education technology (EdTech), agriculture technology (agri-tech), and financial technology (fintech);
- funding becoming more local, with increased commitments from pension funds, corporate venture funds, family offices, and green innovation funds. Gender-lens capital is gaining traction, supporting women-led and gender-balanced funds. However, financing remains concentrated in a handful of countries, with 81 per cent of total equity funding and 69 per cent of deal activity on the continent taking place in the Arab Republic of Egypt, the Republic of Kenya, the Federal Republic of Nigeria, and South Africa in 2025 (Benrubi *et al*, 2025). This exacerbates geographic inequality and trust gaps between founders and investors;
- domestic ingenuity converging with innovative capital structures to reshape the investment landscape on the continent. Public funds-of-funds (FoFs) are drawing matching commitments from pension funds and family offices. However, exit options remain limited (e.g. more than 70 per cent of liquidity events in South Africa are trade sales), so funding goes primarily towards late-stage deals rather than to early-stage innovators;
- the increasing influence of diaspora networks, which supplied more than 15 per cent of angel cheques in 2024 and have helped bridge cross-border capital flows;
- fintech dominating the funding landscape, absorbing nearly 60 per cent of disclosed funding in 2023, while deep tech and climate tech lag behind;
- infrastructure progress remaining uneven, with fewer than one-third of rural SMEs enjoying reliable broadband while hyperscale data centres lower costs in core hubs; and
- policy choices becoming the decisive swing factor for an Africa-focused VC ecosystem. Clear, stable frameworks attract capital, while abrupt changes to laws and regulatory uncertainty can trigger capital flight, as seen in Kenya in 2024 following the introduction of a new tax on digital services.

The eight high-impact drivers recognized as central to the continent's VC trajectory are:

- societal trust and relationship networks;
- impact authenticity and ethical governance;
- digital infrastructure and inclusion;
- legal certainty and regulatory harmonization;
- capital access and market integration;
- climate finance and green innovation;
- policy leadership and public-sector collaboration; and
- data transparency and impact measurement.

The interplay of these drivers was assessed to explore a range of possible scenarios for the continent's VC landscape. Of these scenarios, the two preferred pathways are:

- crystal capital, which is the most realistic short-term ambition. This scenario utilizes tools that are already in the pilot stage, including standardized impact metrics, open ledgers for reporting by funds, and incentives for limited partners to be more transparent. If implemented over the next three to five years, these mechanisms can repair trust between founders and investors, reduce due-diligence issues, and demonstrate that rigorous record-keeping does not stifle returns; and
- trust triangle, the long-term scenario for which crystal capital acts as the necessary scaffolding. Once transparent capital flows and credible metrics are in place, governments can align incentives with market evidence, civil-society watchdogs can monitor performance in real time, and private investors can co-design blended vehicles with lower perceived risk. The result is a virtuous cycle, as policy stability attracts deeper pools of domestic and diaspora investment, which in turn finances more diverse founders and sectors, reinforcing societal trust.

Together, these scenarios offer a sequenced, investable roadmap for inclusive engines of growth, pan-African resilience, digital equity, and cross-sectoral renewal in health, agriculture, energy, and mobility.

To realize this vision, the report recommends a comprehensive roadmap for developing the African VC ecosystem that matches the continent's ambitions and creates an enabling environment for long-term growth. The recommendations include:

- accelerating VC flows by prioritizing universal broadband, reducing regulatory friction, and enabling long-term capital formation through revised fund mandates and inclusive investment practices. Harmonized investor protections and AI accountability frameworks build trust, while targeted tax credits for innovative ventures and a pan-African venture passport can attract capital and streamline cross-border investments;
- strengthening ecosystem readiness through holistic founder mentorship, merit-based skills vouchers for legal and product services, and capacity-building grants for accelerators and early-stage fund managers. In addition, earmarked funds should be allocated to young people, women, and rural founders, and development finance institutions (DFIs) should be re-oriented towards FoF roles with co-financing to attract private-sector capital;
- channelling funding into strategic sectors by deploying public first-loss tranches, creating sector-specific pooled funds and utilizing climate-risk and competitiveness maps to guide

capital flows. The recommendations also include establishing living-lab innovation zones with regulatory flexibility and developing macro-financial stress labs to manage systemic risks;

- generating actionable insights through high-transparency dashboards, a pan-African VC research hub, and early-warning systems to anticipate systemic risks, as well as institutionalizing foresight approaches across DFIs, corporate VC arms, and ecosystem platforms to guide capital towards transformative opportunities;
- promoting knowledge sharing and collaboration through a pan-African VC community platform, open-access repositories for term sheets and impact frameworks, peer-learning clinics, and gender-lens knowledge hubs, as well as documenting lessons from blended-finance pilot projects to enable their replication and coordination; and
- fostering coordinated investment by connecting capital, institutions, and networks through thematic investor networks, diaspora-led syndicates, and co-investment platforms that link governments, businesses, and universities. For example, a venture-policy steering committee can align incentives and partnerships, while a regional fast-track tribunal can resolve cross-border disputes swiftly to enhance investor confidence.

This report draws on best global practices to strengthen the VC ecosystem in Africa, including the diaspora-driven investment programmes launched by the People's Republic of China; the transparent VC data platforms used in the Republic of Estonia and the United Kingdom of Great Britain and Northern Ireland; and the integration of sustainability into financing through the Green Deal in the European Union. Examples from Finland and the Federal Republic of Germany highlight the value of blended finance (i.e. combining public or philanthropic first-loss layers with private capital), mentorship, and accountability, while the Republic of Singapore demonstrates the impact of streamlined digital incorporation. Tax incentives and legal reforms in Nigeria further show how regulatory clarity can attract early-stage capital. Together, these cases underscore the importance of transparency, blended finance, regulatory efficiency, and active ecosystem support in building resilient and inclusive VC markets.

The VC landscape in Africa is poised for transformation if stakeholders commit to a sequenced, metrics-first agenda that focuses on policy stability and collaborative governance. By adopting the recommended policy measures and drawing on global lessons, G20 ministers and African leaders can attract capital, unlock jobs, and de-risk frontier innovation, positioning Africa as a resilient, regionally integrated growth engine aligned with the principles of solidarity, equality, and sustainability.



1 Introduction to futures thinking and strategic foresight

1.1 Futures thinking and strategic foresight

An approach to navigate uncertainty and shape desired futures

Futures thinking is the practice of exploring how different outcomes might unfold by identifying trends, emerging issues, and critical uncertainties, challenging linear thinking and imagining a range of plausible futures rather than relying solely on past patterns. Strategic foresight is the structured application of this approach to inform present-day decisions. It blends trend analysis with creative exploration, helping us prepare for multiple possibilities, anticipate disruptions, and build more resilient systems.

Together, futures thinking and strategic foresight provide a powerful toolkit for navigating change. Instead of predicting a single outcome, they prompt questions about what could happen, what ecosystems should prepare for, and what kind of future is desired. In doing so, these approaches shift the focus from reacting to events to proactively engaging with the forces shaping tomorrow.

Strategic foresight provides pathways to act intentionally in uncertain environments, equipping institutions, governments, and communities with the agility to adapt and the imagination to innovate. In essence, it is about expanding the field of vision to move forward with purpose, even when the road ahead is unclear.



1.2 The importance of futures thinking

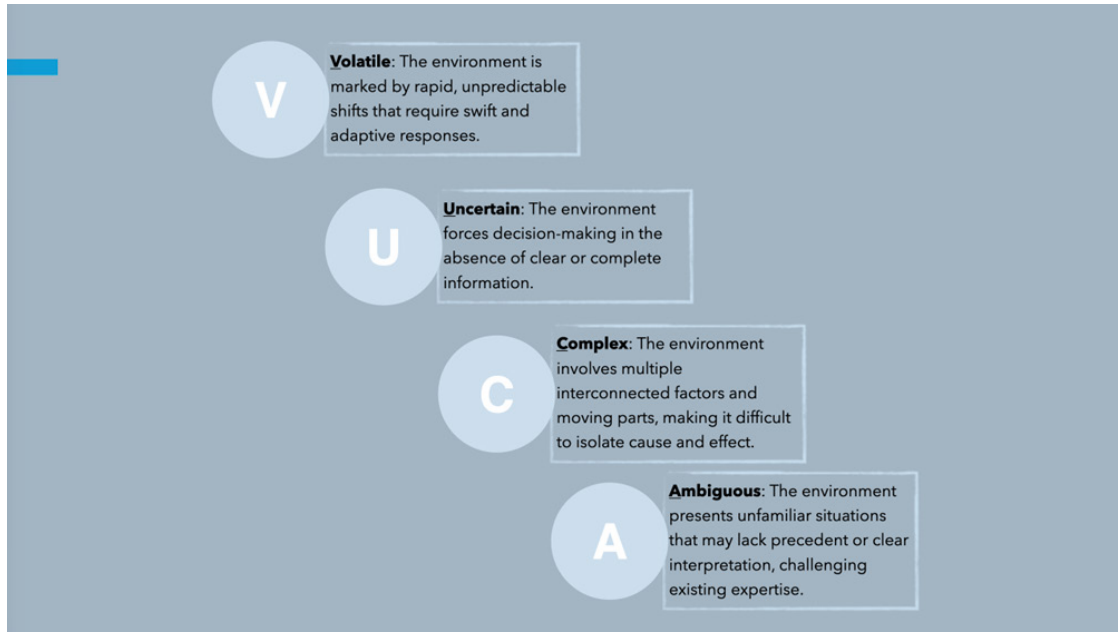
Addressing complexity and disruption in a volatile, digital world: The need for futures thinking

In an era of accelerating technological advancement, climate uncertainty, demographic shifts, and geopolitical turbulence, new ways of thinking are required to confront a volatile, uncertain, complex, and ambiguous (VUCA) environment.

Futures thinking is essential because it shifts the focus from short-term fixes to long-term preparedness, enabling policy-makers, innovators, and communities to anticipate disruptions and take advantage of emerging opportunities. In doing so, futures thinking fosters a mindset of resilience and adaptability, as it is about shaping the desired future and not just focused

on survival. It reflects the need to look beyond immediate pressures and attempts to answer deeper questions about the kind of society being built, who benefits from it, and who could be left behind. In answering these questions, futures thinking becomes an essential compass for navigating uncertainty and an invaluable tool for building more inclusive, sustainable, and forward-looking systems.

Figure 1: VUCA



Source: ITU

Utilizing futures thinking to improve long-term planning

Long-term planning often struggles to keep pace with the rate of change in the modern world. Futures thinking reinvigorates the planning process by anchoring it in possibility rather than assumption. Through structured scenario development, horizon scanning, and the identification of key drivers of change, futures thinking challenges existing mental models and opens new strategic options.

Futures thinking allows organizations and governments to test the resilience of their plans under multiple future conditions. It brings clarity to complex environments by highlighting not just what might happen, but what could be done in response. As a result, decision-makers can allocate resources more effectively, prioritize innovation, and align initiatives with emerging needs.

By integrating futures thinking, planning becomes a dynamic, iterative process that is better equipped to handle shocks, adapt to transitions, and pursue transformative outcomes. Ultimately, it strengthens the ability to act with foresight today to ensure a more equitable tomorrow.

1.3 Introducing the foresight brief series

Helping stakeholders stay ahead of the curve

The foresight brief series is a collection of research reports designed to help ITU Members navigate the uncertainties of an increasingly digital future. It is being developed by the

Innovation and Entrepreneurship Alliance for Digital Development (the Alliance) under the ITU Telecommunication Development Bureau.

Using structured strategic-foresight methodologies and presenting the findings in an accessible format, the series enables stakeholders to stay ahead of the curve by identifying weak signals, analysing trends, and exploring emerging disruptions that may reshape key sectors or focus areas. The briefs present scenario-based insights that impel policy-makers and ecosystem actors to consider multiple plausible futures and design strategies that are resilient, inclusive, and future-ready.

Rather than predicting the future, the series encourages a shift from short-term responses to long-term preparedness. By curating actionable futures intelligence, it empowers Members to make informed decisions in a rapidly evolving environment. The briefs are not meant to be conclusions, but to act as starting points for continued dialogue, collaboration, and development among stakeholders.

In line with these objectives, the briefs provide instructions for stakeholders seeking to move beyond fragmented initiatives towards an integrated vision supported by practical next steps.

Specifically, the briefs:

- illuminate emerging trajectories by mapping the structural trends, weak signals, and wildcard events shaping the topic in focus, informed by desktop research, stakeholder surveys, and expert interviews;
- define desirable futures using scenario thinking to articulate concrete visions for the future that advance the strategic objectives of the brief, while also examining alternative, less desirable, and even wholly undesirable pathways;
- develop strategic options by identifying policy levers, capacity-building measures, and ecosystem-building actions that support progress towards the desired future; and
- equip decision-makers by offering public and private stakeholders, financiers, researchers, innovators, and entrepreneurial support systems a clear roadmap for translating foresight conclusions into coordinated measures.

1.4 The ITU approach to strategic foresight

A structured and collaborative methodology to anticipate change

The strategic foresight methodology provides a structured yet flexible approach to help stakeholders anticipate change, navigate uncertainty, and accelerate digital transformation. By integrating systems thinking, design thinking, and futures thinking, the ITU ecosystem-based approach fosters collaboration and co-creation, while remaining aligned with national, regional, and global development goals. This empowers countries and communities to shape inclusive, resilient, and future-ready societies.

The methodology underpinning this foresight brief is drawn from the ITU Playbook on Strategic



Check out the
Strategic Foresight 101 course
on ITU Academy to learn more

Foresight, a step-by-step, tool-based guide. The methodology aims to democratize foresight knowledge and practice, making these powerful tools accessible to a wide range of actors.

The basics of this methodology, for a foundational understanding of strategic foresight, are also outlined in a self-paced and free online course titled 'Strategic Foresight 101', available on ITU Academy.

The foresight journey unfolds across several stages. It begins with framing and scanning hundreds of environmental signals and trends to identify drivers of change through desktop research, surveys, interviews with subject-matter experts, and co-creation workshops with ecosystem stakeholders to ensure that diverse perspectives are heard and incorporated. These drivers are then analysed and mapped to assess their potential impact and uncertainty, laying the groundwork for exploring future possibilities. By pairing impactful and uncertain drivers, plausible scenarios are generated to highlight emerging opportunities and challenges. From these, a preferred scenario is chosen and shaped through the creation of a forward-looking action roadmap, which is further reinforced by mechanisms that help keep recommendations responsive, relevant, and managed over time.

The findings of this brief have been validated by the Members of the Innovation Alliance Strategic Foresight Thematic Group, as well as the Digital Innovation Board of the Alliance, to ensure that the findings are rigorous, future-aligned, and actionable for stakeholders.

This ecosystem-driven methodology reflects the principles of the ITU innovation framework, empowering countries and communities to develop inclusive, resilient, and future-ready societies.

Readers can explore other publications from the foresight brief series at bit.ly/itustrategyforesight.

1.5 Objectives of the 'Shaping the future of an African venture capital landscape' foresight brief

Unlocking the potential of African VC landscapes

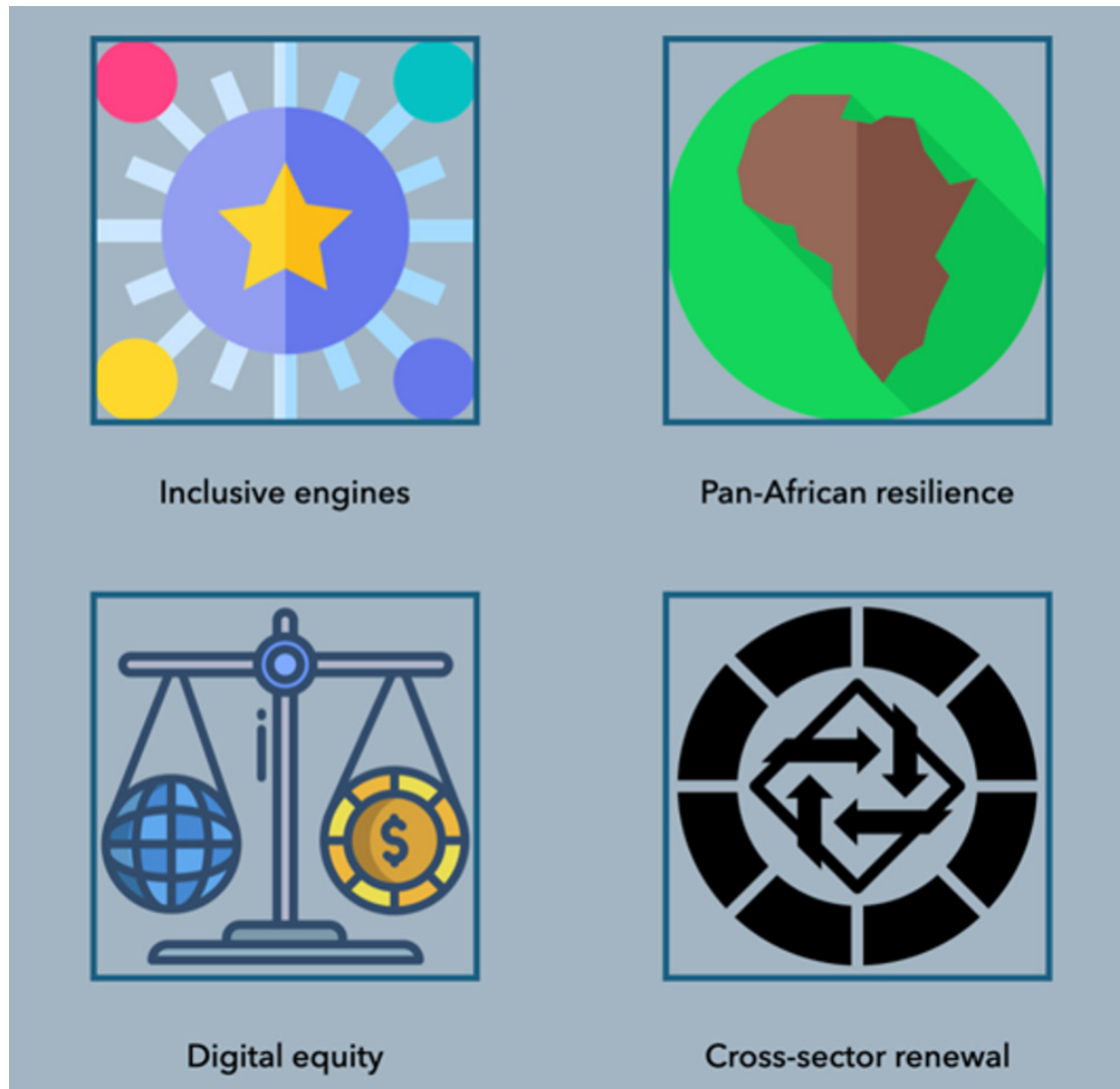
Although the startup economy in Africa has become a recognized engine of job creation and innovation, it still attracts only around 1.5 per cent of global venture funding (Benrubi *et al*, 2025). In comparison, ASEAN member countries attracted close to 8 per cent of global venture funding in 2024, underscoring Africa's untapped potential (AVCA, 2025). Venture capital (VC) remains both a decisive bottleneck and a critical lever for the continent's digital transformation. This foresight brief positions African VC at the intersection of three of the G20 principles of South Africa's presidency: solidarity (shared prosperity), equality (inclusive opportunity), and sustainability (long-term resilience).

The four intersecting objectives that together chart a future-ready pathway for African VC are:

- inclusive engines, which can unlock the full employment and empowerment potential of startups in Africa by reinforcing VC's catalytic role in equitable wealth creation, especially for young people, women, and inter-generational entrepreneurs;
- pan-African resilience, which can expand pools of African capital and leadership so that local investors, fund managers, and regulators drive the next wave of innovation and reduce their exposure to external shocks;

- digital equity, which can channel smart capital into underserved sectors and regions, accelerating the diffusion of foundational digital infrastructure and ensuring that no community is left behind in the digital economy; and
- cross-sectoral renewal, which can expand sustainable funding mechanisms that help reinvigorate strategic sectors (e.g. agriculture, health, mobility, and clean energy) through technology-enabled, cross-industry solutions.

Figure 2: Interlinked objectives intended to shape the development of venture capital in Africa



Source: ITU

By grounding forward-looking analysis in solid evidence and by anchoring recommendations in the four mutually reinforcing aims, this brief will help stakeholders move from fragmented initiatives to a coherent, Africa-led VC architecture that accelerates job creation, innovation, and sustainable growth for all.

1.6 The case for venture capital in Africa

From bottlenecks to levers

Venture capital remains a decisive bottleneck and a powerful lever for enabling inclusive, sustainable, and future-ready growth. It plays a critical role in the maturity of an innovation ecosystem, particularly during the so-called “valley of death” phase of the entrepreneurial lifecycle, when early-stage ventures often face acute funding constraints that threaten their survival and growth.

Venture capital firms provide crucial funding at and around this stage, helping startups scale operations and weather early challenges at a point when other sources such as grants, seed funding, or angel investments are often insufficient or unavailable.

In addition to being financiers, VC funds bring strategic value to the ecosystem. They offer sectoral expertise, mentorship, and access to networks, helping startups build business capabilities, connect with partners, and refine market approaches. Their involvement also drives discipline and collaboration, as VC investments typically require strong teams, scalable models, and enabling regulatory systems and infrastructure. By supporting startups through their riskiest periods, VC firms increase the likelihood of successful scale-ups, exits, and reinvestments of capital and experience, creating a virtuous cycle of innovation and growth within the ecosystem.



While investor interest is growing, the financing gap remains stark, with the African Development Bank (AfDB) estimating that the continent requires roughly USD 402 billion in annual investment to meet its development goals (AfDB, 2024). Addressing this challenge demands not only greater capital mobilization, but the more equitable, strategic, and resilient deployment of that capital.

Encouragingly, fundraising momentum is building. Africa-focused VC funds raised USD 736 million in 2024, a 41 per cent year-on-year increase, while venture debt issuance rose to USD 1 billion, reflecting a shift towards non-dilutive sources of capital for founders (Benrubi *et al*, 2024; AVCA, 2025).

Looking ahead, the future of the African VC landscape must be guided by a bold and inclusive vision that unlocks employment and wealth creation, empowers local fund managers, expands digital infrastructure, and drives innovation across strategic sectors. Strengthening the African VC landscape is a global opportunity to realize the shared prosperity and innovation that underpin the G20 agenda for inclusive digital transformation.

Actors in the VC value chain

The African VC ecosystem is shaped by a wide spectrum of stakeholders whose roles span the value chain, from mobilizing capital to generating and absorbing innovation. Mapping these actors clarifies how interdependent functions drive system maturity and where gaps may hinder inclusivity or resilience.

The four value-chain stages are:

- supply, where institutional and private investors provide capital;
- production, where funds and angel investors deploy and manage that capital;
- distribution, where networks and support services connect and prepare ventures; and
- consumption, where startups, universities, and communities generate and absorb innovation.

Table 1: Actors in the VC value chain

Value chain stage	Stakeholder	Primary role in VC ecosystem
Supply	Limited partners (LPs)	Provide institutional capital
	Sovereign wealth funds and pension funds	Mobilize long-term domestic savings
	Development finance institutions and regional organizations	Finance VC and build ecosystem capacity
	Governments and regulators	Shape policy, offer incentives, and de-risk capital
	Diaspora networks	Investments, mentorship, bridge capital, and expertise
	Corporate VC arms	Invest strategically and drive innovation
Production	VC funds and general partners	Deploy capital and manage portfolios
	Angel investors	Provide early-stage funding and mentorship
Distribution	Operating partners	Support startups and create value
	Accelerators and incubators	Prepare startups for growth and investment
	Networks (including angel networks)	Match capital, expertise, and deals
	Support services	Deliver legal, HR, and media services, and workspaces
	Telecommunications, ICT, and tech hubs	Provide digital infrastructure and access

Table 1: Actors in the VC value chain (continued)

Value chain stage	Stakeholder	Primary role in VC ecosystem
Consumption	Startups and founders	Build and scale innovative ventures
	Universities and research	Generate IP, talent, and new ventures
	Civil society and communities	Foster trust and inclusion

Taken together, these actors form an interconnected system in which one stage depends on the others. For example, capital supply without trusted distribution channels stalls, accelerators without reliable infrastructure falter, and startups without supportive communities struggle to scale. Gaps in any link weaken the whole value chain. This systemic perspective is essential for foresight, with the next section exploring how political, economic, technological, legal, environmental, and ethical forces shape the interactions of these actors, and how feedback loops between them will determine the future trajectory of the VC landscape in Africa.



2 Sensing in a volatile, uncertain, complex, and ambiguous world

Identifying signals and emerging trends

This section presents the first step in the strategic foresight process: identifying early signals and emerging trends in the external environment. It begins with scanning the horizon across diverse domains (e.g. social, technological, economic, environmental, political, legal, and ethical) to identify patterns of change and map the underlying forces shaping the future.

This exploratory phase lays the foundation for the foresight process by framing the scope of an inquiry, revealing cross-cutting influences, and highlighting the dominant trends and marginal signals that may point to emerging disruption.



2.1 Exploring signals of change for a venture capital landscape

Signals are observable events, behaviours, or developments that indicate potential change. While individually they may appear incremental or isolated, collectively they provide early insight into how systems are evolving and where transformation may be gathering momentum. The following signals, mapped across social, technological, economic, environmental, political, legal, and ethical dimensions, highlight patterns that can shape the future landscape of the sector being analysed.

2.1.1 Evolving social landscape

More than 70 per cent of Africans are under the age of 30, and the labour pool is set to expand by around 30 million people annually up to 2040. Directing capital towards EdTech, agri-tech, and fintech can absorb first-time workers (AfDB, 2024). Funding itself is becoming more localized, as Africa-domiciled investment vehicles supplied 41 per cent of all VC raised in 2023, up from 27 per cent in 2020, reflecting rising commitments from pension funds and family offices that read local demand signals first (Benrubi *et al*, 2024).

Gender-lens capital is a growing slice of that pool. Women-led or gender-balanced funds backed one in four disclosed African deals last year, double the amount in 2019, and those startups are progressing to follow-on rounds faster than the regional mean (Benrubi *et al*, 2024). Tensions persist though, as Egypt, Kenya, Nigeria, and South Africa still capture more than 70 percent of deal volumes, widening geographic inequality and sparking calls for secondary-hub incentives and virtual accelerator models (AVCA, 2024). The founders surveyed by ITU also reported a lingering distrust of equity investors, citing opaque term sheets and unrealistic expectations of returns (ITU, 2025). Audits of legal risks confirm that inconsistencies in shareholder protections and disclosures fuel the perception that VC can be extractive (Clyde & Co, 2025).

Offsetting these gaps is the expanding diaspora. Africa-born operators currently based in North America and Europe supplied more than 15 per cent of angel cheques in 2024, creating cross-border networks that often unlock institutional capital (Field *et al*, 2025). Impact-oriented funds are mainstreaming internal rates of return and social-focused key performance indicators (KPIs), normalizing double bottom line investing and reinforcing the view that technology ventures can fill service deficits in health, education, and clean energy.

Whether the continent's demographic dividend translates into shared prosperity hinges on whether investors are willing to look beyond the primary hubs, the restoration of trust between founders and investors, and the greater inclusion of women, young people, and diaspora talent in the African VC landscape.

2.1.2 Evolving technological landscape

Technology ventures continue to dominate the funding landscape in Africa. Fintech enterprises accounted for approximately 60 per cent of total equity funding in 2024, propelled by alt-data credit-scoring engines in Nigeria and farm-to-fork platforms enabled by the Kenyan mobile money transfer service M-Pesa (Benrubi *et al*, 2024). However, the participants in the ITU survey cautioned that this attention to fintech sidelines ventures focused on hardware, biotech, and other deep tech, entrenching a risk-averse attitude towards early-stage technology ventures. Specialized AI and cybersecurity grant schemes in Egypt, Kenya, and the Republic of Türkiye, along with vertical funds from corporate investors, are beginning to rebalance the pipeline, with 41 per cent of respondents citing the adoption of emerging technologies as the ecosystem's greatest upside (ITU, 2025).

Infrastructure in core hubs is catching up. Hyperscale data-centre clusters around Johannesburg and Nairobi offer discounted compute credits to founders, lowering the cost of training machine-learning models. Even so, fewer than one-third of rural SMEs enjoy reliable broadband, a constraint that stakeholders in South Africa and Uganda see as an impediment to diffusion (AVCA, 2024).

Exit options remain limited (e.g. trade sales comprise over 70 per cent of liquidity events in South Africa), tilting capital towards late-stage bets and leaving entrepreneurs with little or no credit history scrambling for seed rounds (Clyde & Co, 2025). Corporate VC arms, ranging from Nigerian telecommunication companies to South African conglomerates, are stepping in with strategic capital, while AI-driven due-diligence tools trim transaction costs by up to 40 per cent, shrinking the distance penalty for global funds (Field *et al*, 2025).

Respondents rank technology hubs and accelerators as among the ecosystem's top catalysts, underscoring the influence of iHub in Nairobi, CcHub in Lagos, and technoparks in Türkiye, which are funnelling talent and proofs of concept. Coupled with rural-connectivity initiatives and standardized impact metrics, these shifts could unleash leapfrog applications (e.g. frugal-AI diagnostics and satellite-backed agri-advisory) and nudge the continent's technological trajectory from consumption towards co-creation.

2.1.3 Evolving economic landscape

Domestic ingenuity is converging with fresh capital structures to reorganize the investment map for Africa. Public funds-of-funds, typified by the Innovation Fund in South Africa, now shoulder first-loss risk and have attracted matching commitments from pension funds and family offices. This approach was cited by 32 per cent of respondents to the ITU survey as the single most effective way to bring in private money.

Cross-border syndication is expanding rapidly. General partners (GPs) based in Kenya and South Africa led more than 40 pan-African deals in 2024, reflecting how regional scale is becoming mission-critical for exits (AVCA, 2024; ITU, 2025). Diaspora remittances, still topping USD 20 billion, remain another resilient stream, with respondents in Nigeria emphasizing the role of these funds in seeding first cheques (World Bank, 2024).

Policy risks loom large. The digital-services and capital-gains taxes implemented in Kenya in 2024 coincided with a 34-per cent drop in equity funding from 2023 to 2024 and triggered protests over innovation flight (Partech, 2024). Foreign-exchange (FX) volatility compounds risk, as evidenced by how the slide in the Nigerian naira forced several funds to adopt active FX hedges. German data illustrates how global liquidity cycles can affect deal volumes, underscoring the need for stabilizing funding from sovereign wealth funds. The Republic of Cabo Verde is considering using revenue from tourist taxes to provide seed money to local funds as a non-dilutive buffer against volatility (AfDB, 2024).

Egypt, Kenya, Nigeria, and South Africa attract USD 7 out of every USD 10 invested by VC firms in Africa. Survey respondents from Kenya and South Africa warned that this dominance channels talent and valuation premiums to a handful of cities and regions. In response, structured pipeline programmes, rural-connectivity bonds, and co-investment opportunities for diaspora members are gaining traction, while United Arab Emirates-style business hubs continue to lure African founders with late-stage capital and favourable tax regimes (Benrubi *et al*, 2024).

The economic future of Africa relies on greater participation beyond the dominant metropolitan areas, the shielding of investment flows from policy and FX shocks, and the scaling of blended-finance structures, which combine public or philanthropic first-loss layers with private capital. If these levers align, the African venture market could shift from fragile concentration towards a more resilient, regionally integrated growth engine.

2.1.4 Evolving environmental landscape

Green innovation is edging into the VC landscape in Africa, although it attracted less than 10 percent of disclosed capital in 2023. According to survey respondents, this reflects the profit-first approaches that disadvantage capital-intensive climate solutions (ITU, 2025). Momentum is building though, and the AfDB estimates that the continent will require USD 194 billion in annual spending on the green transition by 2030, encouraging sovereign investors such as the Innovation Fund in South Africa, whose first-loss tranches have already helped launch two private green-tech vehicles (AfDB, 2024; AVCA, 2024).

Blended-finance structures are multiplying. The Organisation for Economic Co-operation and Development (OECD) counted 27 clean-tech transactions using concessional layers in Africa in 2023, double the number in 2020 (OECD, 2024). The African Venture Capital and Private Equity Association (AVCA) noted oversubscribed Series-A rounds for drought-resilient seed firms and solar mini-grid operators co-led by funds located in South Africa and the Gulf, showing how climate shocks are translating into investment demand (AVCA, 2024). Blended finance has been pivotal to this momentum. An Africa-tailored playbook could accelerate uptake by adapting proven global models to fragmented local markets, helping policy-makers and development finance institutions scale climate-tech investment from pilot programmes into mainstream venture flows.

Despite this, funding gaps persist. Partech estimates that energy-transition and circular-economy ventures raised just USD 540 million, well below the USD 3 billion invested in fintech, while fewer than one-third of climate deals exceeded USD 5 million, underscoring a scarcity in growth capital (Benrubi *et al*, 2024). Currency volatility and unclear carbon-pricing rules continue to deter investors (Clyde & Co, 2025).

Even so, survey participants considered the emergence of clean tech and green tech as the ecosystem's most promising driver and pointed to structures that reward GPs for meeting carbon-dioxide or SDG targets (ITU, 2025). With established environmental, social, and governance (ESG) regulations and upgrades in rural connectivity, these shifts could steer the green transition in Africa from scattered pilot projects to scalable, climate-resilient industries.

2.1.5 Evolving political landscape

Political decisions are becoming the decisive factor for Africa-focused VC. Catalytic vehicles, such as the Innovation Fund in South Africa and the warehousing facility under the Directorate of Science, Technology and Innovation in Sierra Leone, are filling early-stage gaps, with each public dollar mobilizing up to five private ones (OECD, 2024). Countries that embed venture policies at the cabinet level have an edge. For example, Entrepreneurial Nation 2.0 in the United Arab Emirates, which links sovereign capital, startup visas, and free-zone reforms, has been cited by African ministers seeking G20-aligned co-investment frameworks (AVCA, 2024).

However, government intervention does not always have a positive impact. This was evident in Kenya, where a six-per cent digital-services tax and a higher capital-gains levy sparked protests and resulted in funding dropping from USD 473 million in 2023 to USD 318 million in 2024 (ITU, 2025). Survey respondents in Nigeria and South Africa said that taxation and regulatory uncertainty was the top deterrent, whereas their peers in Türkiye and the United Arab Emirates viewed high-level political backing as a magnet for investment.

Coherent roadmaps help reduce risk. The Science, Technology and Innovation Decadal Plan 2022-2032 in South Africa assigns innovation KPIs to each government ministry, while the European Recovery Programme Special Fund and Zukunftsfonds in Germany illustrate how subsidy-free public capital can attract private funding (AfDB, 2024). Delayed roll-outs persist though, with survey respondents noting how while the Startup Bill in Uganda and the draft law in Kenya promise clarity, laws supporting startup development have been slow to be implemented (ITU, 2025).

Nigeria's zero-per cent tax on venture gains is redirecting diaspora and family-office cash towards local seed rounds, a trend survey participants called government-led startup support. Macro stability remains a premium too, with peaceful elections in the Republic of Botswana and judicial independence in the Republic of Rwanda featuring in due-diligence checklists, demonstrating how institutional stability can offset concerns about market size.

If governments pair policy certainty with participatory reform (e.g. founder-government tax hackathons in the Kingdom of Saudi Arabia), Africa can convert political capital into a durable competitive advantage for investors.

2.1.6 Evolving legal landscape

The legal architecture in Africa is shifting from reactive oversight to proactive enabling. The Companies and Allied Matters Act (CAMA) enacted in 2020 in Nigeria, the pending Companies Amendment Act in South Africa, and digital-lender rules implemented in Kenya in 2023 illustrate the twin track of faster incorporation but higher compliance costs. Respondents to the ITU survey ranked rising compliance costs as among their three biggest issues, citing the new licence in Kenya that raises overheads by roughly 35 per cent. In contrast, the National Technology Initiative in Türkiye streamlines the procedure for establishing a company, offers a fintech/AI sandbox, and waives stamp duties, cutting the business registration time to less than two days and de-risking early capital for investors (ITU, 2025).

New protections for minority shareholders are strengthening term-sheet confidence. The AVCA places Kenya and South Africa in the global top 20 for shareholder safeguards, while the King IV Code in South Africa is now referenced in 11 African exchanges (AVCA, 2024). The commercialization of intellectual property (IP) is another bright spot, with South African universities allowing patent holders to swap their patents for equity. A 2024 reform implemented in the United Arab Emirates combined 100-per cent foreign ownership with strict IP enforcement, which lawyers linked to a 40-per cent jump in international term-sheets. Tax incentives are emerging as important tools as well, with the draft Seed-Capital Deduction Bill in Nigeria offering a 30-per cent write-off for angel cheques. Survey respondents in Lagos and Johannesburg cited such measures as the most effective legal levers for attracting capital (ITU, 2025).

Challenges remain though, as only 28 per cent of survey respondents understood their duties under the Protection of Personal Information Act (South Africa), the General Data Protection Regulation (EU), or the Data Protection Act (Kenya). Pan-African software-as-a-service firms earmarked around 12 per cent of revenue for compliance with fragmented privacy policies (Field *et al*, 2025). Contract enforcement on the continent takes 655 days on average, saddling cross-border deals with a governance premium.

From inclusive capital-gains consultations in Nigeria to iterative sandbox forums in South Africa, such instruments offer a pragmatic pathway to align legal certainty with venture dynamism, turning compliance from a burden into a catalyst for stronger venture ecosystems.

2.1.7 Evolving ethical landscape

Ethical scrutiny is no longer peripheral, and it shapes term-sheets and mandates for limited partners (LPs). While investors admit that a returns-first mindset still dominates many young funds, 48 per cent now screen deals against explicit ESG metrics (ITU, 2025). One such example of this shift is Kenya, where gender-inclusive mandates helped two local GPs attract new international LPs in 2024. Every Kenyan survey respondent flagged ethical business practices and accountability as an emerging differentiator. Türkiye shows a similar trajectory, as its National Technology Initiative requires publicly backed funds to disclose their alignment with ESG regulations, pushing health-tech and green-tech GPs to adopt impact dashboards (ITU, 2025).

The thoroughness of due-diligence processes is increasing. The International Finance Corporation (IFC) notes that leading African funds have added labour-rights and data-privacy audits, while Chanzo Capital in Zambia popularized zero-tolerance anti-bribery clauses and whistle-blower hotlines, tools that several Ugandan survey respondents intended to copy (Field *et al*, 2025; ITU, 2025). However, some founders complained that divergent ESG vocabularies enable impact-washing, i.e. exaggerations or false claims about positive social or environmental impacts, and only 17 per cent of African deals concluded in 2023 were done by firms with female chief executives (AVCA, 2024).

Regulations may provide convergence. The King IV Code in South Africa, the Data Protection Act in Kenya, and the responsible AI charter drafted by the African Union are cited as credible safeguards, though compliance costs continue to concern early-stage founders. Respondents from the United Arab Emirates and the EU added that forthcoming global AI rules could reward startups that embed ethical AI designs from day one.

Embedding shared disclosure templates, such as the IFC ESG Toolkit, could curb impact-washing, put founders and investors on an equal footing, and turn the ethics movement in Africa into a magnet for long-term capital.



3 Analysing and refining drivers of change

This section explores the second phase of the foresight process: analysing and refining drivers of change. Building on the insights derived from the previous phase, key drivers are identified and assessed based on their potential impact on the future and the degree of uncertainty surrounding their realization. Efforts are also made to look for weak signals, which are early, often ambiguous signs of emerging change that may evolve into significant drivers over time.



3.1 Drivers and critical forces influencing future evolution of venture capital in Africa

Survey feedback, interviews, and market data surfaced over 100 signals. These signals were grouped into clusters, each of which was stress-tested against various trends (e.g. local pension funds, venture debt, geographic spread, and regulatory flux). This stress-testing uncovered the eight drivers presented below.

Table 2: Drivers shaping the future of the VC landscape in Africa

Driver	Impact	Uncertainty
Societal trust and relationship networks	High	High
Impact authenticity and ethical governance	High	Medium
Digital infrastructure and inclusion	High	Medium-High
Legal certainty and regulatory harmonization	High	Medium
Capital access and market integration	High	Medium-High
Climate finance and green innovation	High	Medium
Policy leadership and public-sector collaboration	High	Medium-High
Data transparency and impact measurement	High	Medium

A shift in any one of these drivers (e.g. the enactment of a continent-wide data-governance code or the withdrawal of capital by sovereign wealth funds) could redirect the VC trajectory in Africa within five years, making these eight forces the foundation of the scenarios that follow.

To complement the qualitative analysis of each driver, the table positions them according to both their systemic impact and the degree of uncertainty around how they may evolve. This dual lens clarifies which forces are relatively predictable and which require closer monitoring. For example, while legal harmonization has a large impact but less uncertainty, digital infrastructure and inclusion has a large impact but medium-high uncertainty, reflecting the risks coming from uneven broadband roll-outs and the persistence of rural connectivity gaps.

The uncertainty ratings are indicative and based on survey responses, insights from interviews, and secondary evidence synthesized in the narrative sections. They are not forecasts but foresight markers, highlighting where future trajectories are more predictable and where volatility or policy shocks create higher variability. These ratings should be read as guidance for scenario-building, not as definitive estimates of the likelihood of something occurring.

3.2 Drivers

Understanding the impact and uncertainties surrounding drivers

Societal trust and relationship networks

Investors like to talk about deal flow engines, but these engines run on personal relationships in Africa. Two-thirds of the founders surveyed by ITU said that warm introductions, not pitch decks, determine who gets the first cheque (ITU, 2025). That invisible social currency explains why diaspora angel investors now seed one in seven Nigerian startups and why Moniepoint's bridge round was filled in days through repeat backers (AVCA, 2024). However, language gaps, long-distance power dynamics, and anecdotes about opaque term-sheets make investors wary. Forty-one per cent of survey respondents in Kenya said that excessive demand for returns was their main deterrent (ITU, 2025). If virtual accelerators, local LPs, and bilingual syndicate leads can broaden relationship networks faster than mistrust spreads, capital is certain to circulate beyond the four countries that receive the majority of VC financing on the continent.

What to watch: Share of cross-language syndicates, repeat deal ratios between founders and investors, and the proportion of funding rounds led by diaspora-linked funds.

Impact authenticity and ethical governance

Ethics has moved centre stage, with nearly half of LPs saying they refuse to wire funds until they see verifiable ESG metrics (ITU, 2025). Gender-inclusive scorecards helped two GPs in Kenya raise fresh international capital in 2024. However, every advancement is shadowed by impact-washing, with differing ESG vocabularies, vague additionality claims, and one-page green pledges raising concerns among potential investors. The tension between authentic purpose and opportunistic branding creates real uncertainty, as the law firm Clyde & Co reported a 17 per cent spike in disputes over unmet impact targets (Clyde & Co, 2025).

What to watch: Adoption rates of third-party ESG audits, the frequency of deals collapsing at the ESG due-diligence stage, and progress towards finalizing the responsible AI charter drafted by the African Union.

Digital infrastructure and inclusion

Cheap spectrum auctions, hyperscale data centres, and cloud-credit programmes are reshaping the continent's digital skyline. Machine-learning costs for startups in Johannesburg fell 40 per cent last year thanks to discounted computing offered by two new server farms (Field *et al*, 2025). The risk is that the pace of infrastructure development remains lopsided, with fewer than one-third of rural SMEs enjoying dependable broadband, which in turn limits local SaaS uptake and data quality (AVCA, 2024). The success of mobile money service providers on the continent, as demonstrated by Sub-Saharan Africa accounting for two-thirds of the global transaction value of all mobile-money transfers in 2025, shows that leapfrogging is possible if connectivity follows (Storchi, 2026). Closing the divide could unlock whole new cohorts of agri-tech, EdTech, and health-tech users, but widening it could reinforce a two-tier digital economy.

What to watch: Rural 4G/5G coverage, the broadband price-to-income ratio, and the proportion of venture rounds bundling cloud-credit incentives.

Legal certainty and regulatory harmonization

Although it takes an average of 655 days to enforce contracts across African courts, momentum is shifting (Clyde & Co, 2025). The CAMA in Nigeria slashed incorporation fees, and the draft Startup Act in Kenya offers similar streamlining. Protections for minority shareholders in Kenya and South Africa rank among the best in the world, boosting term-sheet confidence (AVCA, 2024). However, uncertainty stems from uneven roll-outs. For example, a related bill in Uganda has been stalled for two years, and cross-border data laws remain difficult to parse out. If mutual-recognition treaties and sandbox passports become widespread, friction costs will tumble; if they do not, then risk premiums will remain.

What to watch: Average incorporation time, cross-border licence approvals, and court-enforcement backlog.

Capital access and market integration

The Innovation Fund in South Africa generates five private dollars for every public one spent (OECD, 2024). Similar blended-finance vehicles are emerging in Egypt, the Republic of Côte d'Ivoire, and Ghana. Despite this, FX volatility and mandate exclusions can choke flows overnight. Venture funding in Kenya declined by a third after the introduction of the digital-services tax, while the drop in the Nigerian naira pushed funds to hedge (Benrubi *et al*, 2024). The geographic concentration of VC funding compounds risks, as four countries account for 70 per cent of capital. The race is on between inclusive pipeline programmes and the gravitational pull of established hubs.

What to watch: Share of Africa-domiciled LP capital, the distribution of funding beyond the primary hubs, and the growth of cross-border syndication.

Climate finance and green innovation

The AfDB estimates that Africa will require USD 194 billion annually in adaptation funding by 2030, but climate tech attracted less than 10 per cent of venture dollars in 2023 (AfDB, 2024). First-loss public vehicles are luring private cash, with the number of clean-tech deals announced in 2023 double that of 2020 (OECD, 2024). Growth cheques remain scarce though, with Partech

calculating energy-transition funding to be only USD 540 million compared to USD 3 billion for fintech (Benrubi *et al*, 2024). Currency fluctuations and uneven carbon pricing increase investor caution, although momentum could flip if impact-linked carry structures prove lucrative.

What to watch: The share of VC funding going into green tech, the uptake of carbon-linked carry structures, and the national adoption of carbon market mechanisms.

Policy leadership and public-sector collaboration

Cabinet-level venture strategies are becoming decisive. Entrepreneurial Nation 2.0 in the United Arab Emirates bundles sovereign capital, startup visas, and free-zone perks, and the ministries of three African countries have requested its playbook (AVCA, 2024). Conversely, the protests against the digital-services tax in Kenya show how quickly policy missteps can repel capital (ITU, 2025). The featuring of peaceful elections in Botswana in due-diligence checklists demonstrates the importance of political stability, while uncertainty lies in electoral cycles and bureaucratic lag.

What to watch: The frequency of policy changes, the size of cheques from sovereign wealth funds, and the survival rate of incentives across administrations.

Data transparency and impact measurement

Impact metrics remain a patchwork. Half of the founders surveyed by ITU said that differing ESG templates add weeks to the due-diligence process (ITU, 2025). Where data are clean, AI-driven tools reduce transaction times by 40 per cent (Field *et al*, 2025); where they are not, legal teams step in, adding additional costs. Privacy laws such as the Protection of Personal Information Act in South Africa enhance user trust but make compliance across markets more difficult. A tipping point may arrive if a critical mass adopts the IFC ESG toolkit or if the African Union finalizes continent-wide standards.

What to watch: The percentage of deals using AI-enabled risk scoring, the adoption of unified disclosure templates, and regulatory fines for data breaches.



4 Visualizing possible future scenarios

Possible transformational scenarios

This section presents the process of envisioning a diverse set of possible futures by examining how selected drivers of change might interact and intersect over time. Through structured exploration, several scenarios have been developed, each of which reflects a different combination of risks, opportunities, and system dynamics.

These scenarios are then studied to understand their implications, including their potential strengths, vulnerabilities, and cascade effects on a possible future VC ecosystem.



4.1 Key drivers for exploring potential future scenarios

The interplay of drivers

To explore how the future of the African VC landscape could unfold, this study started with more than 100 signals before distilling them into eight drivers. Working with ITU Knowledge Partners, these drivers were paired into four critical tensions, each forming the perpendicular axes of a two-by-two matrix. Because each matrix contrasts the high and low states of two drivers, it produces credible yet contrasting scenarios. These possible futures span a wide spectrum, with each calling for forward-looking leadership, strategic partnerships, and inclusive, flexible approaches.

Table 3: Drivers selected to explore the interplay shaping scenario development

Driver	Impact	Uncertainty
Societal trust and relationship networks	High	High
Impact authenticity and ethical governance	High	Medium
Digital infrastructure and inclusion	High	Medium-High
Legal certainty and regulatory harmonization	High	Medium
Capital access and market integration	High	Medium-High
Climate finance and green innovation	High	Medium
Policy leadership and public-sector collaboration	High	Medium-High
Data transparency and impact measurement	High	Medium

Set 1 – Capital clarity and transparency

Among the eight drivers, impact authenticity and ethical governance, and data transparency and impact measurement stand out as both pivotal and uncertain. One axis gauges the clarity of impact metrics, such as whether investors share concise, comparable metrics, while the other captures the transparency of venture practices. Progress on either front has been uneven, as only a handful of funds publish third-party-assured dashboards, while many offer little beyond headline returns. Because trust underpins capital formation, clearer metrics without transparency (or transparency without clear metrics) only partially solve the problem. The four futures generated by the matrix are impact-washing, performative compliance, buzzword investing, and crystal capital.

Set 2 – Infrastructure equity and talent distribution

Digital infrastructure and inclusion intersects with societal trust and relationship networks in shaping who can innovate and where. One axis measures the equity of digital infrastructure (e.g. universal broadband and last-mile deserts), while the other tracks talent geography, asking whether expertise remains in a single place or diffuses through secondary hubs. Fibre roll-outs, satellite projects, and cloud credits could level the playing field, although they could also stall amid fiscal shocks. Similarly, hybrid work and diaspora-return schemes could expand, or the allure of metropolitan areas could intensify concentration. The scenarios produced by these uncertainties are offline frontiers, where talent exists but pipelines lag; next billion builders, which combines dispersed talent with robust connectivity; techno-cities, or entrenched urban strongholds; and silicon islands, which consist of pockets of elite connectivity amid broader exclusion.

Set 3 – Return pressure and impact orientation

The push and pull between capital access and market integration, and impact authenticity and ethical governance crystallizes in the pairing of expected returns with the maturity of social-impact practices. Steep targets for internal rates of return compress holding periods and favour quick-flip models, while mature impact vehicles value patient investing. Both drivers fluctuate with global liquidity cycles, regulations, and LP sentiment, making their future states highly

uncertain. When plotted, the scenarios generated are purpose desert, where neither profit nor mission is compelling; impact alpha, which balances profit and mission; greed machine, which is dominated by demands for high returns; and patient pathways, where there is more of an impact despite modest returns.

Set 4 - Policy stability and cross-sectoral collaboration

Policy leadership and public-sector collaboration, and legal certainty and regulatory harmonization combine. The horizontal axis tracks policy and regulatory stability, which in turn influences investment horizons and IP localization. The vertical axis measures the depth of collaboration between VC firms, governments, and non-governmental organizations, determining how swiftly bottlenecks are resolved through joint ventures or co-designed reforms. Election cycles, debt negotiations, or geopolitical shifts can up-end stability, and collaboration hinges on leadership and institutional trust. The resulting scenarios are governance drift, which is marked by regulatory whiplash and siloed actors; trust triangle, where steady policy and deep alliances unlock coordinated growth; token gestures, a stable yet performative setting; and patchwork progress, where policy is fragmented but local micro-alliances improvise resilience.

Table 4: Plausible future scenarios

Set 1: Capital clarity and transparency • Impact-washing • Performative compliance • Buzzword investing • Crystal capital	Set 2: Return pressure and impact orientation • Techno-cities • Next billion builders • Offline frontiers • Silicon islands
Set 3: Infrastructure equity and talent distribution • Purpose desert • Impact alpha • Greed machine • Patient pathways	Set 4: Policy stability and cross-sectoral collaboration • Governance drift • Trust triangle • Token gestures • Patchwork progress

Different countries may find themselves moving on different trajectories, and they are encouraged to consider how they might move towards more desirable futures.

4.2 Wildcard events

Exploring disruptive risks and positive surprises

In addition to the driver-based scenarios, the research also identified three wildcards. These scenarios are:

- an AI coup, which imagines algorithmic deal engines out-performing human partners. While biases may decrease, accountability and fiduciary liability enter uncharted territory, unsettling LPs and regulators;
- an AI sovereignty shock, which envisions data-localization blocks that fragment digital markets, multiplying the number of steps needed to remain compliant and eroding the

scale economies necessary for African startups. This scenario reflects a rapid, coordinated escalation across multiple jurisdictions; and

- a capital blackout, which models a reputational scandal that prompts global LPs to suspend commitments abruptly, freezing new funds, crushing valuations, and forcing emergency consolidations across the VC landscape on the continent.

An optimistic lens was also applied, asking which wildcard scenarios could suddenly propel the VC landscape beyond current projections. These are:

- African engineers developing ultra-efficient AI models that run on low-power chips, slashing cloud costs and driving a fresh wave of inclusion-tech deals;
- a continent-wide digital-ID and real-time-payments backbone easing frictions related to know-your-customer procedures and FX, letting startups scale regionally from day one;
- universal impact-reporting standards shifting the conversation from asking whether the numbers can be trusted to how fast can companies grow responsibly, attracting a new class of mission-aligned LPs;
- governments adopting interoperable, open-data rules, and founders utilizing anonymized health, agriculture, and climate datasets to create breakthrough platforms;
- a G20-Africa compact channelling concessional climate finance into local funds, positioning Africa as a laboratory for green hydrogen, solar micro-grids, and circular manufacturing;
- policy incentives sparking a wave of senior technologists to return home, improving startup execution and deepening angel syndicates;
- AI-driven ideation tools enabling grassroots groups to design investable ventures, broadening the pipeline beyond major hubs;
- founders plugging into AI-enabled co-investment networks that swap talent, share code, and negotiate as blocs, lowering failure rates;
- governments, universities, corporations, and civil society synchronizing SDG targets with venture mandates, unlocking blended pools previously trapped in silos; and
- digital twins optimizing resource loops in new industrial zones, creating Africa's first zero-waste corridors and an investable clean-tech cluster.

Wildcard events demonstrate that venture trajectories are rarely linear, as a single shock can compress a decade of evolution into a few feverish funding cycles, with varied consequences.

4.3 Visualizing a wildcard future scenario

The disruptive future of an AI coup



In this scenario, algorithmic deal engines trained on vast global datasets displace human fund managers almost overnight. Initially, bias tests show marginal efficiency gains and lower operating costs, prompting large LPs to mandate automated selection. The consequences are felt quickly, with founders from under-documented regions screened out due to sparse data trails, deepening geographic inequality. Technologically, proprietary models become black-box monopolies housed in a handful of hyperscale data centres, creating single points of failure and targets for cyberattacks.

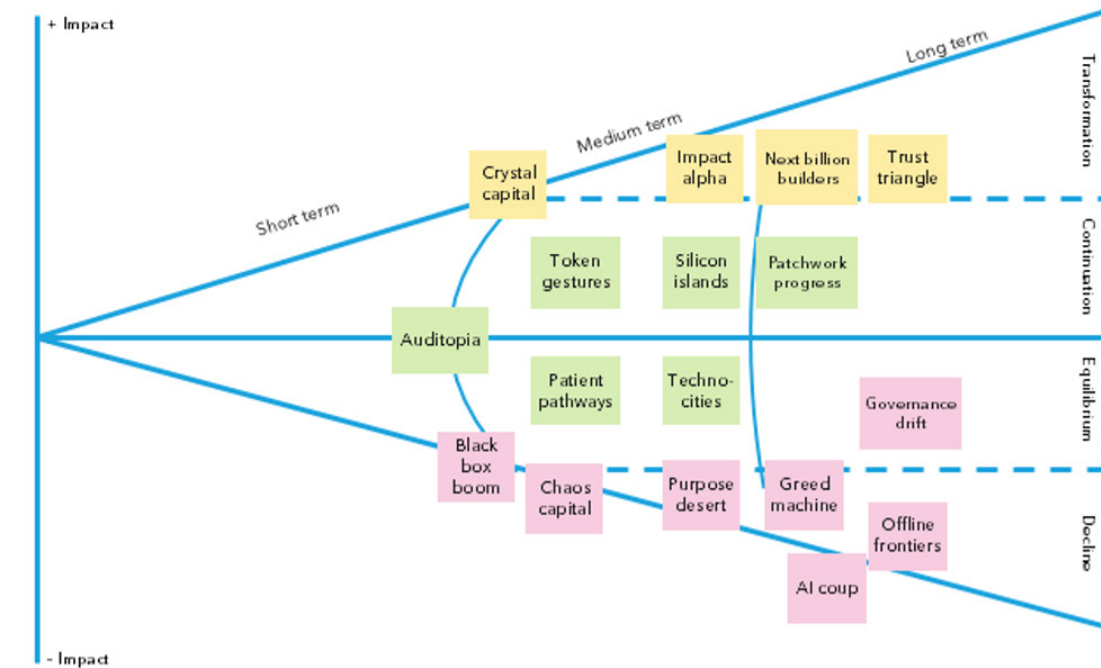
Although fees are lower, relational capital wanes, with portfolio survival rates dipping without mentor networks. When an opaque model misclassifies a high-profile deal and wipes out pensions, regulators panic, imposing audit mandates that few funds can meet. Environmental and governance startups, whose impact KPIs are harder to quantify, receive near-zero allocations, stalling the green-transition pipeline in Africa. Politically, governments lose visibility into capital flows, weakening their ability to steer development goals. Some countries retaliate with data-sovereignty laws, further fracturing markets. Establishing liability for algorithmic errors remains murky, spawning cross-border litigation. Accountability gaps widen, as no clear mechanism exists for communities to contest algorithmic decisions.

Stakeholders react unequally. Public treasuries see tax receipts dive as exits slow, while private GPs pivot to model-training services, sidelining advisory roles. Banks face sudden mark-downs of AI-picked loan portfolios, and universities struggle to place graduates. Accelerators lose revenue and entrepreneurs are forced to either self-finance or relocate to jurisdictions with hybrid decision models.

There is a risk that the AI coup scenario cascades into systemic failure as it collides with multiple critical drivers (e.g. trust networks, ethical governance, and digital inclusion). ITU and its knowledge partners therefore track early warning signs, some of which are LP mandates for fully automated screening, lawsuits claiming model bias, and spikes in capital flight. Analysing such a disruption builds resilience, as stakeholders can reduce the probability and severity of an AI-dominated future upending the continent's VC ecosystem by stress-testing data-governance standards, diversifying decision pipelines, and preserving human oversight.

4.4 Exploring a range of scenarios

Figure 3: Potential trajectories and outcomes



Source: ITU

The future of African VC landscapes is explored through a set of diverse scenarios, each of which is shaped by different combinations of critical drivers. These plausible futures span a wide spectrum, illustrating paths ranging from fragmentation to alignment, and scarcity to innovation. Together, they present a range of potential directions shaped by varying levels of impact and uncertainty linked to the most relevant drivers. The ITU Playbook on Strategic Foresight uses an adapted futures cone to map out how these scenarios could play out over time.

The timeline for these scenarios varies from the short term (zero to five years) to long term (15 to 20 years), depending on how quickly uncertainties develop and how system-level responses take shape. In addition, a wildcard scenario was also explored to consider potential high-impact disruptions to current trajectories.



5 Prioritizing the desired scenario

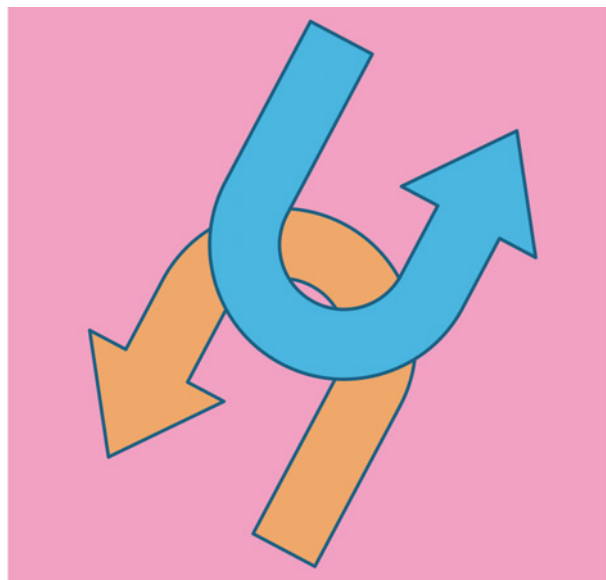
This section stress-tests some of the scenarios identified so far against the objectives of the study to assess their potential impacts and alignment. Using this assessment, a desired scenario is identified and analysed, offering a shared vision to guide planning and decision-making.



5.1 Four transformational scenarios

Analysing optimistic futures for lasting progress

Using collaborative analysis, stakeholder engagement, and expert review, this report presents and examines a shortlisted set of transformational scenarios. Although the four scenarios may appear similar in ambition and direction at first glance, each reflects a distinct blend of capacities, trade-offs, and systemic behaviours that create markedly different futures.



5.2 Visualizing transformational scenarios

Crystal capital

Impact authenticity and ethical governance + data transparency and impact measurement



Crystal Capital scores strongly in three ways. By pairing clear impact metrics with radical fund transparency, it channels money towards ventures led by young people and women (inclusive engines), spreads digital services through verified inclusion dashboards (digital equity), and legitimizes cross-sectoral partnerships that recycle data and lessons (cross-sectoral renewal). Its one neutral aspect, pan-African resilience, demonstrates that clarity alone cannot overcome structural imbalances in the geographic distribution of capital, and sovereign-wealth programmes are still required to steer funds beyond the major hubs.

Next billion builders

Digital infrastructure and inclusion + societal trust and relationship networks



Next billion builders pivots on rural connectivity. New fibre and mobile-money systems enable dispersed talent to establish companies, hire employees, and trade (digital equity and pan-African resilience). However, inclusion is uneven because risk capital still gravitates towards founders already connected to urban networks, producing a neutral score for inclusive engines and cross-sectoral renewal. This scenario is a reminder that infrastructure can only open doors if complementary finance follows.

Impact alpha

Capital access and market integration + impact authenticity and ethical governance



Impact alpha balances missions and margins. Rigorous disclosure procedures increase trust and broaden participation (inclusive engines), while moderately higher local-capital ratios act as a buffer against external shocks (pan-African resilience). However, the model takes a cautious approach to capital-intensive industries such as climate tech or advanced manufacturing, which explains the scenario's rating on cross-sectoral renewal. The scenario also assumes that existing digital systems remain adequate, hence its positive but not outstanding contribution to digital equity.

Trust triangle

Policy leadership and public-sector collaboration + legal certainty and regulatory harmonization programmes



Trust triangle is the most holistic future. A stable, coherent policy is combined with deep collaboration between the public sector, private sector, and civil society. The scenario satisfies the four objectives of spreading opportunity, pooling resilience, closing digital gaps, and aligning capital with sectoral transformation.

5.3 Stress-testing the scenarios

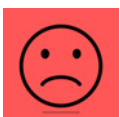
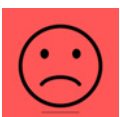
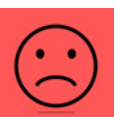
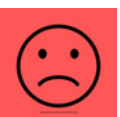
Stress-testing strategic objectives across transformational and wildcard scenarios

The transformational and wildcard scenarios were mapped against the intended research outcomes and stress-tested to evaluate whether they align with core objectives to prioritize the desired scenario.

In the table on this page, a smiling-face emoji indicates a positive impact on an objective, a straight-face emoji indicates a neutral impact, and a sad-face emoji indicates a negative impact. The comparison shows that while each scenario has distinct strengths and weaknesses, one clearly emerges as the most desirable future, demonstrating strong alignment across all four objectives.

This mapping is also in line with the scenarios presented earlier. Although the four transformational scenarios may have appeared similar in ambition and design at first glance, three of them lacked a critical pillar. Without this pillar, progress remains unpredictable, and over time the entire vision risks falling apart.

Table 5: Stress-testing the shortlisted scenarios against the objectives of the foresight study

Objective / Scenario	Objective 1: Inclusive engines	Objective 2: Pan-African resilience	Objective 3: Digital equity	Objective 4: Cross-sectoral renewal
Crystal capital				
Next billion builders				
Impact alpha				
Trust triangle				
AI coup				
Frugal AI leap-frogging				

5.4 Narrowing down to the desired scenario

Moving from crystal capital to trust triangle

Crystal capital is the most realistic short-term scenario because it leverages tools already being piloted, such as standardized impact metrics and open ledgers for fund reporting, and encourages LPs to be more transparent. If implemented over the next three to five years, these mechanisms can restore trust between founders and investors, reduce due-diligence friction, and demonstrate that rigorous oversight does not stifle returns. As confidence grows, public agencies are more likely to commit catalytic capital and harmonize disclosure rules, while ecosystem actors become more willing to share data without fear of impact-washing.

Those very conditions seed the evolution towards the longer-horizon trust triangle. Once transparent capital flows and credible metrics are in place, governments can align incentives with market evidence, civil-society watchdogs can monitor performance in real time, and private investors can co-design blended vehicles with lower perceived risk. The result is a virtuous cycle, with policy stability attracting deeper pools of domestic and diaspora money, which in turn finances more diverse founders and sectors, reinforcing societal trust.

With crystal capital acting as the foundation, trust triangle can be achieved once transparency and updated metrics have reshaped behaviours and expectations across the African VC landscape.



5.5 Identifying short-term ambition

Zooming into the future of crystal capital



Crystal capital emerges when impact-measurement standards are unambiguous and every fund's pipeline, term sheets, and post-deal data are fed into a shared, blockchain-secured dashboard. Socially, the practice normalizes radical transparency, as founders showcase gender and youth participation metrics alongside revenue, broadening trust and lowering the relational-capital premium that once favoured well-connected urban elites. Technologically, open applied programming interfaces let startups stream real-time ESG telemetry to investors, regulators, and communities at negligible cost, accelerating the diffusion of pay-as-you-go solar technologies, tele-health systems, and EdTech into previously overlooked secondary cities.

Economically, clarity reduces expenses for diligence and fraud monitoring by an estimated 30 per cent, freeing capital for earlier-stage cheques and protecting funds against FX shocks through faster, data-driven course-corrections (Field *et al*, 2025). Environmentally, universally accepted carbon-intensity tags allow blended vehicles to channel concessional tranches towards green-hydrogen pilot projects or circular-economy hubs, as well as instantly verify impact claims.

Politically, ministries can rely on the same live dashboard to allocate catalytic grants, aligning fiscal incentives with demonstrated outcomes and reducing lobbying opacity. Legally, mutual-recognition agreements harmonize disclosure rules across seven leading exchanges, reducing the amount of time needed to process cross-border paperwork from months to weeks. Ethically, full-stack visibility curbs impact-washing and empowers civil-society watchdogs.

As for stakeholders, public agencies monitor programme returns on investment in real time and private GPs pitch new funds on the strength of accessible performance records. Banks price venture-debt products based on verified impact risk and universities spin out IP under clear royalty-for-equity templates. Accelerators teach founders to integrate impact telemetry from day one and entrepreneurs gain faster, fairer access to capital. The scenario increases solidarity by giving community groups equal access to performance data, equality by rewarding inclusive governance with cheaper capital, and sustainability by embedding environmental externalities into every deal metric. The scenario therefore aligns closely with the G20 commitment to leave nobody behind. Remaining uncertainties include the speed of regulatory harmonization and the cost of upgrading legacy systems, as well as the average verification time for impact KPIs and the proportion of funds publishing machine-readable deal data.

Risks: Transparency alone cannot rebalance capital flows, and geographic concentration may persist without funding from sovereign wealth funds.

5.6 Identifying a long-term vision

Zooming into the future of trust triangle



Trust triangle unfolds when stable, coherent policy frameworks intersect with deep, institutionalized collaboration among governments, investors, and civil societies. Universities and accelerators collaborate to design curricula to build a generation of investment-ready founders fluent in governance, ethics, and frontier technologies. Widespread digital IDs and pan-African payment systems funded by telecommunication companies and development banks close infrastructure gaps and enable rural micro-LPs to invest through fractional shares, broadening inclusion and diaspora engagement.

Technologically, open-source regulatory sandboxes allow AI-driven credit-scoring and green-hydrogen ventures to test products simultaneously in multiple jurisdictions, halving the time to market. Economically, pooled financing from sovereign wealth funds and diaspora bonds create a USD 5 billion counter-cyclical facility that protects against macro shocks and attracts private growth equity (OECD, 2024). Environmentally, joint climate-risk maps guide insurers

and municipalities, directing capital towards adaptation corridors and boosting the local procurement of clean-tech hardware.

Politically, ministers convene quarterly in a venture-policy forum that draws on crystal capital-grade dashboards to fine-tune incentives, while mayors co-craft zoning and procurement rules with startup hubs. A continental venture passport makes fund-manager licences portable across 15 markets, and a model term-sheet based on the King IV Code in South Africa standardizes protections for minority stakeholders. A pan-African responsible AI charter, shaped through dialogues with multiple stakeholders, establishes continental standards for curating datasets, conducting bias audits, and redressing grievances.

Stakeholders now navigate a seamless system. Officials deploy plug-and-play incentives, while corporations pool IP on shared commercialization platforms. Development finance institutions supply guarantees only when local banks co-finance, and researchers see faster spin-outs. Ecosystem builders convene neutrally, with founders using a single help-desk for visas, licences, and seed grants. The model combines solidarity (e.g. sharing risk), equality (e.g. passport access for smaller funds), and sustainability (e.g. climate-aligned capital), while remaining uncertainties (e.g. political turnover and alliance fatigue) are tracked through passport-renewal rates and the proportion of public procurement involving certified impact ventures.

Risks: Sustaining coordination across governments, investors, and civil society may falter due to policy reversals or alliance fatigue.

5.7 Enablers of the desired scenario

Factors that make 'trust triangle' the desired scenario

Pan-African policy harmonization and regulatory trust : A continental venture passport, standardized term-sheets, and a pan-African responsible AI charter can reduce regulatory friction and strengthen cross-border investment, as these tools build trust, simplify compliance, and enable regional scaling for startups and funds. This matters for African VC landscapes because it enables faster cross-border licensing for managers and clearer regulatory guardrails.

Collaborative public-private investment platforms: Blended instruments like the USD 5 billion counter-cyclical facility can align funding from sovereign wealth funds, diaspora bonds, and private capital. They protect against macro shocks, attract equity, and embed long-term resilience in the continent's VC system, protecting LPs against volatility and increasing growth capital for founders.

Inclusive digital infrastructure and ownership models: Digital IDs and real-time payment systems empower rural micro-LPs to invest through fractional shares. These tools broaden access to finance, increase participation, and bring underserved communities into the venture economy, enabling new sources of funding for founders and broader participation by retail investors.

Grassroots-led venture pipeline design: Community leaders and civil society shape investment priorities, ensuring that capital flows reflect local needs. Their role increases trust, social relevance, and equitable access to innovation opportunities, boosting the legitimacy of founders and providing stronger social licensing for LPs.

Cross-sectoral regulatory sandboxes for innovation: Open cross-border sandboxes allow AI, genomic, and green-tech ventures to test solutions safely and efficiently, as well as support responsible innovation and accelerate market readiness across strategic sectors. This facilitates faster product testing for founders and gives regulators greater oversight.

Integrated talent and knowledge systems: Curricula co-developed by universities and accelerators equip founders with ethical, governance, and tech skills, creating an investment-ready generation and strengthening execution capacity across the ecosystem. This matters for the African VC landscape because it prepares founders and enables stronger deal quality for investors.

Together, these factors provide a pathway to positioning the African VC landscape as an inclusive engine of growth, advancing pan-African resilience, fostering digital equity, and driving cross-sectoral renewal, ultimately creating an environment grounded in solidarity, equality, and sustainability.

It must be noted though that these enabling factors alone are not enough, as they do not guarantee the success of the prioritized scenario. Coordinated implementation, the alignment of incentives, and phased sequencing across the roadmap are required to ensure the transition.

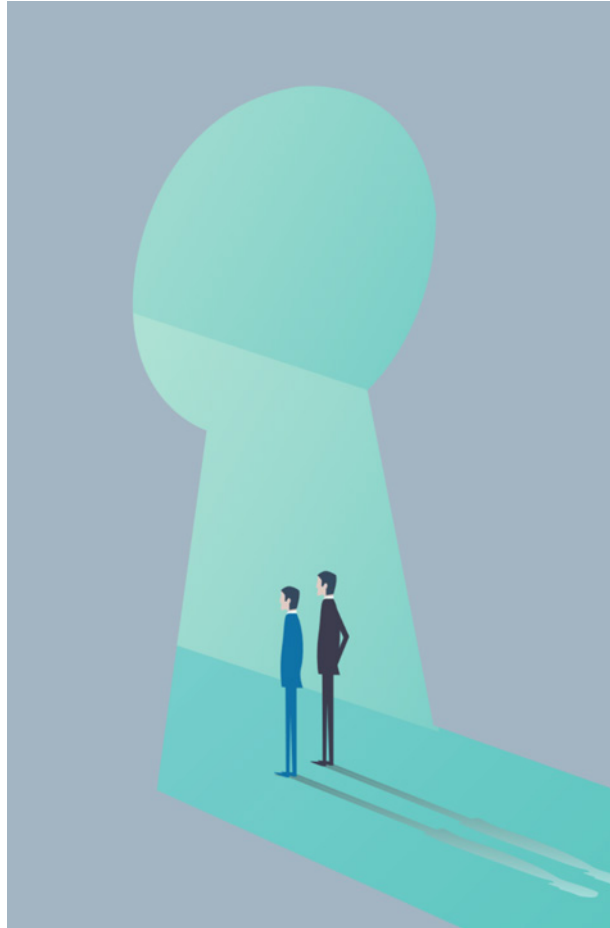


6 Actioning the desired future

Shaping the future

This section marks the transition from foresight to strategy by translating the desired future into reality through an actionable agenda. It outlines the key interventions and strategic priorities needed to close the gap between the present conditions and the desired future.

A preliminary roadmap grounded in a shared understanding of stakeholder roles, the order of actions to be taken, and areas for coordination has been developed to guide implementation, setting the direction for proactive and inclusive changes in existing systems.

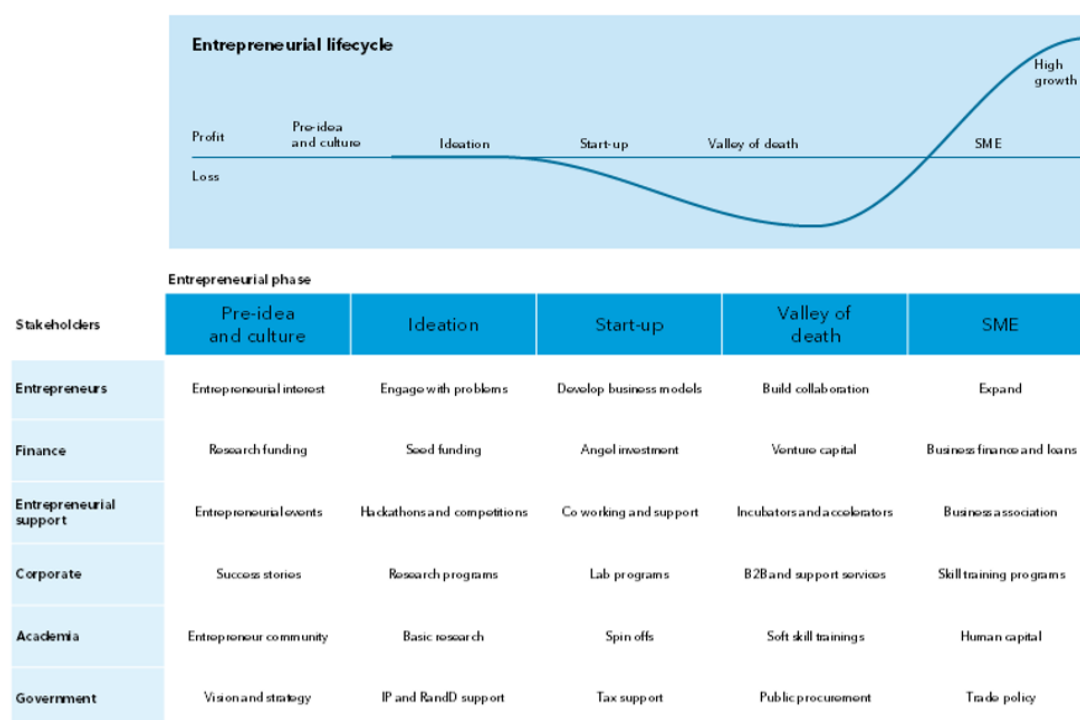


6.1 Supporting the entrepreneurial lifecycle

From foresight to action

Every stakeholder has a distinct role to play in the funding landscape, and it is the interconnectedness of these roles that enables capital to flow, trust to build, and innovation to scale. The graphic below depicts the respective roles of stakeholder groups across the different stages of the entrepreneurial lifecycle.

Figure 4: The entrepreneurial lifecycle



Source: ITU ecosystem maturity map

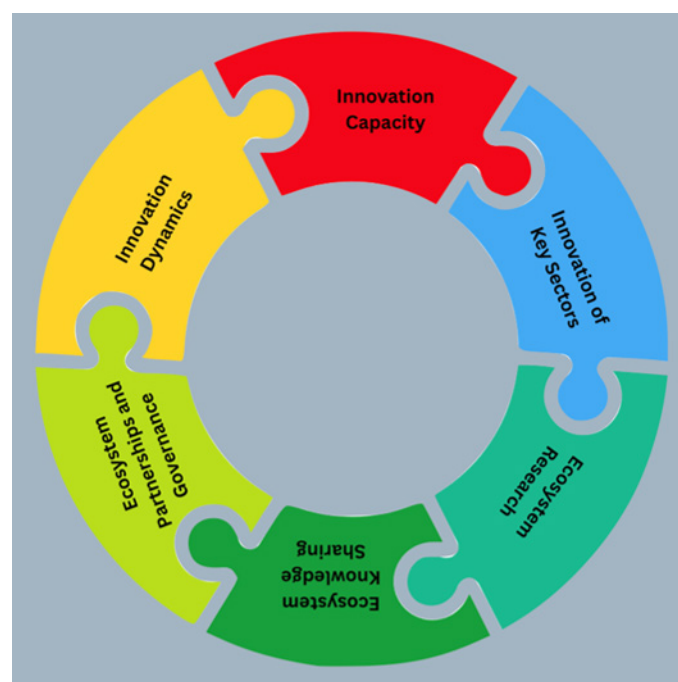
6.2 A roadmap to maturity

Building blocks of innovation-led growth

The actions recommended in this section are grounded in research insights and reflect the collective ambition to realize the desired trust-triangle vision, a scenario that is in line with the core objectives of this brief. Accordingly, the recommendations given to address systemic gaps along the entrepreneurial journey have been shaped by ecosystem consultations, expert inputs, and engagement with G20 members.

The recommendations are structured around six pillars that together provide a coherent roadmap for connected, inclusive, and sustainable economic growth powered by innovation. The first three pillars of innovation dynamics, innovation capacity, and innovation of key sectors provide the foundation for building the ecosystem, while the other three pillars of ecosystem research, ecosystem knowledge sharing, and ecosystem partnerships and governance play critical roles in leading the ecosystem towards maturity.

Figure 5: Six pillars of an integrated framework for action



Source: ITU

Together, these pillars form an integrated framework for action, although the pathways to implementation will naturally differ across countries. Domestic ecosystems vary when it comes to institutional readiness, resource availability, technological maturity, and governance capacity. As a result, governments and stakeholders may prioritize recommendations depending on local conditions while still moving in the collective long-term direction set out in this study.

The roadmap is therefore not meant to be linear or prescriptive. Rather, countries are encouraged to adapt and sequence actions in ways that best fit their domestic context, identifying appropriate champions across government, industry, finance, academia, support networks, and civil society.

6.3 Actions to drive future-ready VC ecosystems in Africa

To translate the desired vision into tangible outcomes, the following roadmap is proposed. It encompasses a comprehensive set of interventions involving policy, capacity development, market activation, research, knowledge sharing, and collaboration, ensuring a coordinated and systemic approach to implementation.

Table 6: Proposed roadmap to realize the desired vision

Innovation dynamics (ID)	Innovation capacity (IC)	Innovation of key sectors (IKS)
<i>Policies and strategies that shape the flow of VC in Africa</i>	<i>Initiatives that strengthen the readiness to access, absorb, and deploy VC effectively</i>	<i>Actions that channel investments into strategic sectors to scale innovation and boost competitiveness</i>
ID1: Embed universal broadband as a policy priority to strengthen innovation and maximize VC impact.	IC1: Provide holistic mentorship for startup founders through diverse networks (e.g. universities, diaspora communities, and corporate partners) to strengthen business acumen, governance capabilities, and impact fluency, enabling them to access and deploy capital more effectively.	IKS1: Use public first-loss tranches to de-risk investments in strategic sectors, mobilizing private capital towards national development priorities and benefiting early-stage startups and blended-finance partnerships.
ID2: Strengthen national and regional policies to foster entrepreneurial activity and long-term capital formation by reducing regulatory friction (e.g. revising pension and insurance-fund mandates), supporting early-stage innovation, and encouraging inclusive investment practices.	IC2: Deploy merit-based founder skills vouchers to provide access to legal, IP, and product design services, reducing early-stage risks, strengthening investor readiness, and supporting underserved founders to build viable ventures.	IKS2: Create sector-specific pooled funds in priority areas to attract specialist capital, deepen domain expertise, and accelerate innovation in technological or sectoral areas such as AI, blockchain, climate, education, agriculture, and tourism.
ID3: Develop model term-sheets and a responsible AI charter through multi-stakeholder processes to harmonize investor protections and algorithmic accountability, building trust and policy coherence across markets.	IC3: Deploy targeted capacity-building grants to strengthen the capabilities of ecosystem builders, accelerators, and early-stage fund managers, enhancing deal quality, improving fiduciary readiness, and expanding the investable startup pipeline.	IKS3: Apply joint climate-risk and sectoral competitiveness maps to guide investment into adaptation corridors and clean technology, ensuring climate-aligned capital flows.
ID4: Introduce sector-specific innovation tax credits with clawbacks tied to impact KPIs, in turn attracting capital to priority sectors.	IC4: Allocate earmarked capital for youth, women, and rural founders to broaden participation, enhance equity, and unlock underrepresented talent pools.	IKS4: Designate living-lab innovation zones around industrial parks or ports, providing automatic regulatory waivers and on-site infrastructure to accelerate venture scaling.
ID5: Establish a pan-African venture passport system to streamline the licensing of fund managers and facilitate cross-border investment to reduce regulatory friction for emerging fund managers and international investors.	IC5: Re-orient development finance institutions (DFIs) towards fund-of-funds (FoF) roles with co-financing requirements and faster approvals, bringing in private capital and improving deal flows for local fund managers and early-stage ventures.	IKS5: Develop a macro-financial stress lab to model VC performance during currency shocks and interest rate swings to guide risk mitigation for fund managers, DFIs, and regulators.

Ecosystem research (ER) <i>Initiatives that generate insight into funding flows, investment gaps, and ecosystem performance</i>	Ecosystem knowledge sharing (EKS) <i>Platforms that share investment learnings, models, and data to drive alignment and collaboration</i>	Ecosystem partnerships and governance (EPG) <i>Mechanisms that connect capital, institutions, and networks to support coordinated investment efforts</i>
ER1: Develop high-transparency dashboards to track VC deployment, inclusion metrics, and fund performance, supporting informed decision-making and greater accountability among capital providers.	EKS1: Establish a pan-African VC community platform to connect venture capitalists, DFIs, corporate investors, angel syndicates, philanthropic capital, and diaspora funders to facilitate regular knowledge exchange, co-investment dialogue, and the sharing of best practices and success stories to strengthen alignment, trust, and capital flows across sectors in the region.	EPG1: Build thematic networks linking angels, VC firms, and sectoral investors to strengthen collaboration, promote joint advocacy, and support Africa-wide ecosystem coordination.
ER2: Establish a pan-African VC research hub to generate future-looking insights on regulatory bottlenecks, sectoral gaps, and capital trends, informing foresight-based decision-making.	EKS2: Facilitate interactive peer-learning clinics for general partners and corporate boards to build practical expertise, embedding continuous dialogue and experiential learning into the VC ecosystem.	EPG2: Mobilize diaspora-led syndicates and fractional micro-LP models to widen the capital base and connect global expertise to local ventures in the region.
ER3: Monitor early-warning indicators (e.g. exit delays, mandate revisions, and litigation over impact metrics) to anticipate systemic risks and strengthen response strategies for LPs, DFIs, and public-market regulators.	EKS3: Launch an open-access platform for VC firms and ecosystem actors to share term-sheet templates, impact frameworks, and co-investment models, reducing duplication and improving alignment.	EPG3: Develop co-investment and IP commercialization platforms between governments, businesses, and universities to scale innovation and expand the investable frontier for early-stage ventures and research-driven startups.
ER4: Institutionalize the foresight approach across corporate VC arms, DFIs, and ecosystem platforms to identify critical shifts, frontier sectors, and evolving socio-economic challenges, ensuring that capital is directed towards the most transformative, inclusive, and future-relevant opportunities.	EKS4: Build a knowledge hub focused on gender-and-social lens capital to track inclusivity in funding flows, venture outcomes, and impact, thereby embedding inclusion into the learning loop.	EPG4: Convene a venture-policy steering committee to align public incentives with ecosystem needs, drive partnerships, mobilize resources, ensure accountability, and advocate for pan-African coordination.
	EKS5: Document and disseminate lessons from blended-finance pilot programmes and regional funds to enable faster replication and stronger coordination across ecosystems.	EPG5: Establish a regional fast-track tribunal to resolve cross-border venture disputes within 60 days, enhancing investor protection and sustaining LP confidence.



7 Managing the ecosystem

This section outlines structured mechanisms for providing guidance, supporting implementation, activating inclusive platforms, and enabling strategic partnerships and communication pathways, ensuring that the roadmap remains responsive, relevant, and ecosystem-driven over time.



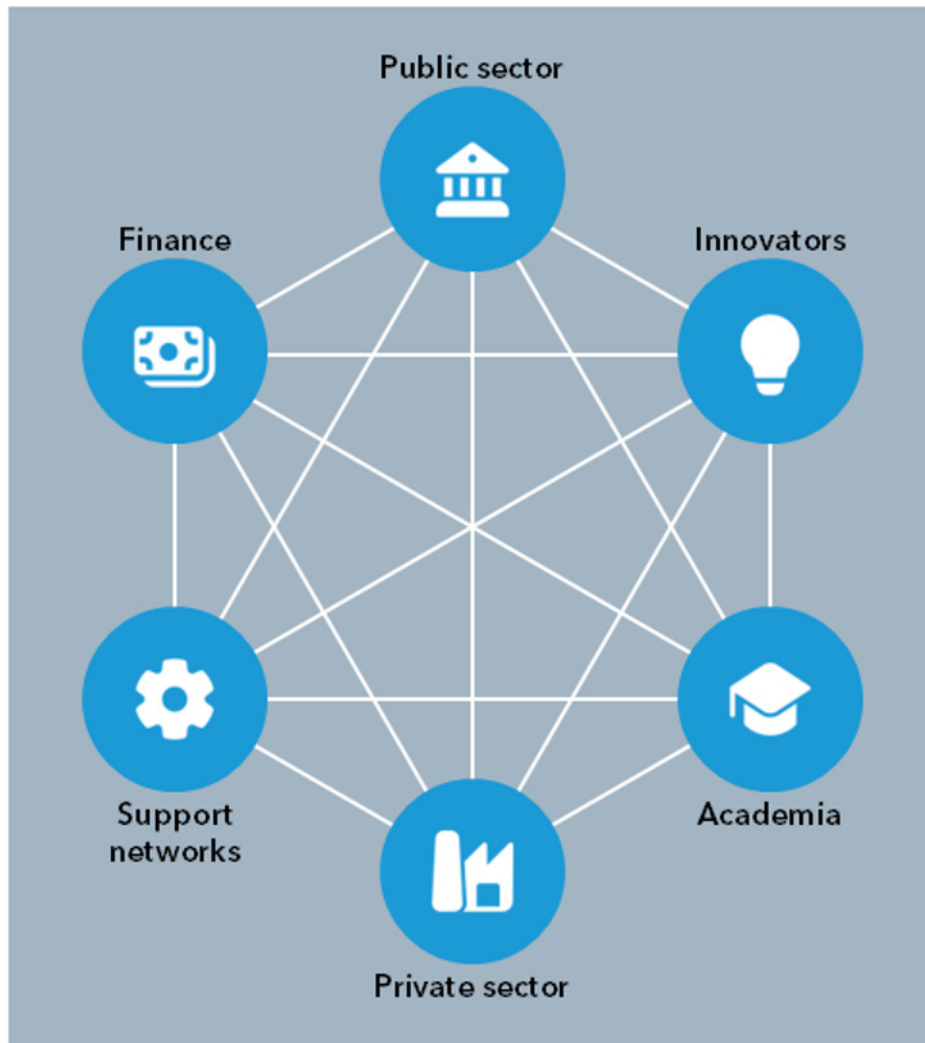
7.1 Strength in stakeholder collaboration

Mechanisms to align strengths and build a resilient ecosystem

Translating recommendations into lasting results requires a system in which diverse stakeholders not only participate but actively co-create, implement, and champion transformation. Managing the VC ecosystem in Africa calls for an integrated action roadmap that guides all stakeholders from today's fragmented terrain to the collaborative horizon described in the trust-triangle scenario.

This foundation is essential to building a digitally transformed, inclusive, and future-ready landscape in which VC investments fuel sustainable growth, expand opportunities, and build resilience across the continent.

Figure 6: A well-connected ecosystem



Source: ITU

7.2 Activating implementation mechanisms

Building processes and platforms for meaningful collaboration

Delivering on a shared vision requires not just defined roles, but also structured mechanisms that enable stakeholders to collaborate effectively over time. Platforms for engagement, transparent governance arrangements, catalytic partnerships, and open communication channels are essential to translate strategic intent into coordinated action. By institutionalizing inclusive processes and feedback loops, ecosystems can sustain momentum, strengthen trust, and ensure that implementation remains adaptive, accountable, and aligned with long-term objectives.

Table 7: Platforms and structured mechanisms for stakeholder collaboration

CHAMPIONS FOR SHARED OWNERSHIP		
To ground the VC roadmap in local realities and sustain momentum, it is essential to mobilize ecosystem champions who foster leadership, align actors, and enable shared ownership and long-term coordination. These champions should be drawn from across the public and private sectors, financial institutions, academia, entrepreneurial support networks, and founder communities. Identifying high-interest, high-influence stakeholders (e.g. national telecommunication ministries, innovation regulators, research universities, development banks, and corporations) is the first step. These stakeholders should be engaged through structured plans tailored to their roles, using mechanisms such as bilateral meetings, multi-stakeholder forums, or co-designed workshops to determine their priorities, contributions, and institutional capacities.		
GOVERNANCE FOR TRUST AND ACCOUNTABILITY	PARTNERSHIPS FOR CATALYTIC ENGAGEMENT	COMMUNITY FOR SHARED LEARNING
Trust is vital to a VC ecosystem, particularly in fragmented markets with limited early-stage capital. To build this trust, a dedicated multi-stakeholder governing body is essential to ensure transparency, accountability, and the coordinated implementation of the VC roadmap. Such a body (e.g. a steering committee) should be established with a clear mandate to align incentives, guide decision-making, and monitor progress across ecosystem goals. To shape this structure, key actors should be convened through a focused roundtable or co-designed workshop to define its purpose, roles, and composition. This process ensures that the governing body reflects regional needs and priorities, as well as fosters broad-based ownership and legitimacy.	Strengthening the VC ecosystem requires partnerships that can unlock capital, accelerate innovation uptake, and build resilience across the VC value chain. This involves collaborative mechanisms between governments, businesses, DFIs, academia, philanthropic actors, and regional bodies. Such partnerships can serve a range of purposes, such as co-investment, pipeline development, policy co-creation, technical assistance, and knowledge transfer. To build these alliances, ecosystem actors can convene through co-designed workshops or structured forums to map gaps, identify mutual needs, and align contributions to eventually establish robust, purpose-led partnership strategies.	A VC value-chain community is essential to build collective capacity, bridge knowledge gaps, and foster trust. Such a community should have a clear purpose, shared values, and diverse opportunities to maximize member contributions and benefits. It may bring together founders, fund managers, investors, policy-makers, researchers, and ecosystem enablers. Members can contribute by sharing expertise, co-developing solutions and supporting capacity-building. Co-designed workshops or ecosystem events should be held to identify community needs and define mutual value. The aim is to cultivate a culture of continuous learning, shared responsibility, and mutual support across the ecosystem.
COMMUNICATING AND ADVOCATING FOR IMPACT		
Strategic communication is essential to accelerate the adoption of VC as a tool for inclusive economic transformation. Targeted advocacy that spotlights successful exits, showcases data on inclusion and fund performance, and brings ecosystem insights into the public and policy discourse can mobilize broader support and attract new capital. A common narrative based around VC's potential to drive job creation, technological resilience, and equitable growth can help sustain political will, legitimize reforms, and deepen the ecosystem's commitment to the roadmap.		



Annex

Global best practices

Sea-turtle and diaspora networks (China)

Sea-turtle initiatives actively incentivize Chinese professionals working overseas to return and invest in domestic innovation. By matching diaspora capital with local venture funding and offering FX hedging support, the programmes lower investment friction while strengthening domestic capacity. Structured mentorship and formal memoranda of understanding ensure the alignment of global expertise with national development needs. The initiative has deepened social capital, supported advanced research and development, and diversified the innovation landscape in China. For other G20 nations with large diasporas, the model underscores how returnee networks can be harnessed to drive inclusive growth and strategic technology leadership.

Data-driven VC platforms (Estonia and United Kingdom)

Beahurst, Crunchbase, and Estonia's e-Residency ecosystem publish funding, valuation, and exit data in near real-time and let foreign investors incorporate their businesses digitally. These platforms align with the crystal-capital scenario's transparency metric and supply the digital platforms for the venture passports outlined in the trust-triangle scenario. When the live naira-indexed VC dashboard in Nigeria syncs with the Konza Pulse Lab in Kenya, it will effectively localize this blueprint.

Green Deal innovation financing (European Union)

The EU Green Deal embeds sustainability into innovation financing by coupling grants, tax credits, and climate-aligned metrics with multi-stakeholder oversight. The model promotes green entrepreneurship through both supply- and demand-side levers, including public procurement targets, ESG disclosure mandates, and sectoral living labs that reduce the regulatory risk for climate-tech ventures. Open dashboards provide transparent performance tracking, building investor confidence and aligning with Europe's broader climate goals. The initiative illustrates how green capital can be mobilized at scale through well-governed, cross-border innovation architecture.

Business Finland and VTT (Finland)

The ecosystem for public innovation funding in Finland combines capital with deep technical support and mentorship. Business Finland and the Technical Research Centre of Finland (VTT) offer seed grants and co-investment alongside expert guidance for startups. Public stakes are gradually phased out as ventures mature, preserving private sector dynamism. Impact metrics and transparency protocols help sustain accountability and learning. This blend of catalytic public funding and strong governance has made Finland a leader in deep-tech innovation, offering a proven template for aligning capital and capability at the early stages of venture development.

High-Tech Gründerfonds and active mentoring (Germany)

Germany's High-Tech Gründerfonds provides early-stage capital to high-potential startups alongside structured governance support. VC partners sit on portfolio company boards and offer tailored mentorship, an active ownership model that embeds investor accountability into startup growth. The approach fosters better governance, strengthens exit readiness, and accelerates founder development, as well as aligns with the long-term ecosystem goals of capital discipline and strategic value creation, particularly in deep-tech sectors. Germany's structured mentorship model is now widely cited as a blueprint for coupling financial and non-financial VC value-add.

Public-private seed catalysts (Finland)

The pairing of Business Finland and VTT matches seed dollars with deep mentorship, then phases out the public stake once private investors arrive. The structure triggers three levers: smart incentives, founder skills, and sector windows for deep tech. The programmes embody high levels of transparency and undergird the durability of the trust-triangle scenario through evergreen, rules-based governance.

Thematic funds and Hokkaido F Village (Japan)

Japan demonstrates innovation in venture financing through deep-tech thematic funds and place-based innovation zones. National funds set aside capital for sectors such as bio-manufacturing and clean-tech, guided by pipeline mapping and research partnerships. In addition, Hokkaido F-Village is transforming a stadium complex into a smart city hub, blending tourism revenues with VC funding and pilot rights for startups. Startups receive both capital and access to real-world testing environments, supported by local governance and multi-stakeholder oversight. The initiative shows how cultural infrastructure and catalytic funds can revitalize peripheral regions and support venture ecosystems beyond capital cities.

Silicon Savannah Tax-Holiday Bet (Kenya)

Kenya has sought to attract venture capital through a 10-year tax holiday for export-oriented firms in export-processing zones, complemented by draft fast-track licences for VC funds. Despite these incentives, most managers still domicile abroad due to enforcement uncertainty and treaty gaps. Nonetheless, Kenyan startups continue to secure strong inflows thanks to world-leading shareholder protections and the ubiquity of the mobile money transfer service M-Pesa, which lowers distribution costs and broadens market access. In addition to these strengths, the Konza Technopolis smart city project signals the country's long-term ambitions. The case of Kenya highlights that while fiscal incentives and flagship projects can raise visibility, lasting investor confidence depends on regulatory clarity and robust digital infrastructure.

Venture Capital Act and regulatory reform (Nigeria)

Nigeria's Venture Capital Act provides tax credits, dividend exemptions, and capital gains relief to early-stage investors. Complementary legal reforms such as the Companies and Allied Matters Act (CAMA) and the Code of Corporate Governance have strengthened investor protections and eased startup incorporation. Together, these measures have fuelled a robust innovation corridor centred in Lagos. While macroeconomic volatility and FX constraints remain,

the Nigerian model shows that targeted tax incentives, legal clarity, and board-level governance reforms can unlock venture flows and build resilience in frontier markets.

Active ownership and mentoring (Nordics and Germany)

Finland's active-ownership norm and Germany's High-Tech Gründerfonds place VC partners on portfolio boards, pairing capital with weekly mentoring sessions. This embeds good governance and builds founder aptitude, exactly the behaviour the crystal-capital scenario makes measurable and the trust-triangle scenario seeks to institutionalize. When South African warehouse developers join boards with diaspora mentors, they will be copying this model.

Connect Rwanda (Rwanda)

Connect Rwanda matches diaspora funding with local VC to unlock cross-border finance and expertise. The programme encourages formal agreements between diaspora-based financiers and LPs, along with FX hedging tools and bundled mentorship arrangements to support startup scaling. Through structured platforms and partnerships, Rwanda has positioned itself as a diaspora-driven innovation hub. This model showcases how even small economies can amplify domestic capacity by strategically linking global networks to local entrepreneurial ecosystems.

BizFile+ (Singapore)

The BizFile+ portal combines business registration, the issuance of tax IDs, and sandbox licensing in a single digital interface, allowing entrepreneurs to register and launch companies in minutes instead of months. Open applied programming interfaces (APIs) and cross-agency governance ensure inter-operability and transparency, significantly reducing bureaucratic friction. The portal improves the ease of doing business, accelerates venture formation, and supports smart policy-making through real-time data. This model demonstrates how technology-enabled regulations can serve as a powerful enabler of national startup ecosystems.

Regulatory one-stop shops (Singapore and United Arab Emirates)

BizFile+ in Singapore and Bashr in the United Arab Emirates fold company formation, tax IDs, and sandbox licences into a single online form. This leap in policy tempo is supported by open APIs and cross-agency steering committees, giving entrepreneurs crystal capital-grade clarity from day one. A pan-African VC passport that copies Bashr's ethos of starting right away would turbo-charge the trust-triangle scenario's vision of friction-free capital mobility.

Innovation Fund and Section 12J (South Africa)

The Innovation Fund launched in 2022 operates as a public FoF with windows for seed, growth, and technology development. Its warehouse facility supports emerging GPs in building early track records, while performance is driven by transparent scorecards on inclusion and impact. An earlier tax-driven initiative, Section 12J, catalysed local capital flows by offering income tax deductions for investors, though it was later phased out. Together, these instruments show how public capital, legal incentives, and targeted accountability can attract domestic investors, democratize fund management, and scale innovation finance across diverse sectors.

KOSGEB green industry incentives (Türkiye)

The Small and Medium Enterprises Development Organization (KOSGEB) supports SMEs and startups with grants and tax incentives targeting green and sustainable industrial practices. Through multi-year financing programmes, regulatory relief, and technical assistance, KOSGEB aligns venture development with national environmental goals. Living labs and regional incubators help test green technologies and link innovators with buyers. This coordinated push illustrates how emerging economies can embed sustainability into enterprise policy and mobilize capital for climate-aligned growth.

Sustainability and green-innovation support (United Arab Emirates and European Union)

The EU Green Deal, the KOSGEB green industry incentives, and Masdar City in the United Arab Emirates couple grants, tax credits, and living-lab zones for net-zero ventures. Sector incentives hinge on open ESG dashboards and multi-stakeholder oversight. The proposed five-year claw-back-guarded green credits for Africa borrow directly from these blueprints, blending crystal-capital clarity with trust triangle-grade accountability.

Angel CoFund and digital data platforms (United Kingdom)

The Angel CoFund and Catalyst Fund model transparent co-investment alongside private angel investors to dilute risk and catalyse early-stage rounds. Public funding is tied to investor diligence, building trust and unlocking follow-on capital. Complementing this, platforms like Beauhurst publish near real-time VC data on valuations, exits, and funding trends, enhancing market visibility and deal flow. Together, these efforts strengthen capital formation, de-risk angel networks, and make the United Kingdom one of the world's most transparent venture ecosystems. The funds offer actionable lessons for building collaborative funding models and data infrastructure.

Digital co-investment syndication (United States of America and United Kingdom)

Silicon Valley's party-round culture and the Angel CoFund and Catalyst Fund in the United Kingdom show how transparent syndication can multiply early cheques while diluting risk. Open cap-table platforms allow funds to share due-diligence procedures in real time and post-deal playbooks on public portals. The model satisfies the crystal-capital scenario's requirement for live deal data and points towards the trust triangle's collaborative risk-pooling, as a Lagos or Accra passport that mirrors California's SAFE norms could unlock the same accelerated growth across West Africa.

Strategic exit pathways (United States, United Kingdom, and China)

Nasdaq, the Alternative Investment Market on the London Stock Exchange, and Shanghai's STAR Market provide ladder exits for everything from software-as-a-service to hard science. Predictable liquidity feeds back into sector funds and trains managers in exit planning. Publishing exit multiples on open dashboards supports crystal-capital transparency, while cross-listing agreements can cement the cross-border trust envisioned in the trust triangle.

Abbreviations

Abbreviation	Full form
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AI	Artificial intelligence
AIM	Alternative Investment Market (London Stock Exchange)
AR	Action road-mapping
AVCA	African Private Equity and Venture Capital Association
CBN	Central Bank of Nigeria
CMA	Capital Markets Authority (Kenya)
CVC	Corporate venture capital
DFI	Development finance institution
DSTI	Directorate of Science, Technology and Innovation (Sierra Leone)
EAC	East African Community
ECOWAS	Economic Community of West African States
EPZ	Export-processing zone
EPZA	Export Processing Zones Authority (Kenya)
ESG	Environmental, social and governance
FoF	Fund-of-funds
FX	Foreign exchange
GP	General partner (VC fund manager)
ICT	Information and communication technology
IF	Innovation Fund (South Africa)
IFC	International Finance Corporation
IPO	Initial public offering
IP	Intellectual property
ITU	International Telecommunication Union
KIPI	Kenya Industrial Property Institute
KPI	Key performance indicator
LP	Limited partner (venture-capital investor)
M&A	Mergers and acquisitions
M-Pesa	Mobile money transfer service provided by Safaricom (Kenya)

Abbreviation	Full form
Nasdaq	National Association of Securities Dealers Automated Quotations
OECD	Organisation for Economic Co-operation and Development
SADC	Southern African Development Community
SD-Growth	Sustainable-disruptive growth (model)
SDG	Sustainable development goal
SMEs	Small and medium enterprises
TEEPSES	Technological, economic, environmental, political, social, ethical, and spatial
VC	Venture capital
WEKH	Women Entrepreneurship Knowledge Hub
WES	Women Entrepreneurship Strategy

Glossary

Term	Definition
Counter-cyclical facility	A pooled investment mechanism designed to provide capital during downturns or external shocks, stabilizing venture ecosystems and attracting private capital.
Critical issues analysis	A cross-disciplinary method of ranking the issues most likely to shape sustainable innovation. Mixing creative workshops, expert panels, evidence reviews, and stakeholder dialogue, it scores each driver by its impact and uncertainty using the STEEPLE approach (social, technological, economic, environmental, political, legal, and ethical).
Desired scenario	The most desirable future outcome, based on stakeholder values, aspirations, and strategic priorities.
Drivers	The key forces or underlying factors that influence or shape change within a system. Drivers may be internal or external, and they can feature economic, technological, political, environmental, or social aspects. They often interact and evolve over time, shaping future scenarios.
Foresight	A structured approach to exploring possible futures by identifying trends, drivers, uncertainties, and opportunities to inform long-term decision-making and strategy.
Futures thinking	The mindset and practice of considering multiple plausible futures to anticipate change and guide proactive action in the present.
General partners	Fund managers in a VC firm who raise capital from investors, make investment decisions, manage portfolio companies, and hold fiduciary responsibility for delivering returns.
Innovation ecosystem	A dynamic network of institutions, stakeholders, policies, and technologies that collectively enable innovation, collaboration, and systemic transformation.
Micro-LP	A small-scale LP (e.g. individuals, rural investors, or community groups) enabled to commit modest amounts of capital, typically through digital or fractional ownership models.
Scenario	A narrative or model that describes a plausible future state based on drivers and uncertainties.
Signals	Early indicators or weak signs of change that may point to emerging trends, disruptions, or innovations in their early stages.
Small and medium enterprises (SME)	Businesses with limited staff and revenue that contribute significantly to local employment and local economic growth.
Stakeholder engagement	A participatory process of involving key actors in shaping decisions, aligning efforts, and ensuring the shared ownership of outcomes.
Startup	A recently launched business venture focused on innovation and scalable growth that frequently leverages technology to disrupt existing markets or create new ones.

Term	Definition
Transformation pathways	Strategic routes or sequences of actions taken to move from current conditions towards a preferred future scenario.
Trends	Patterns of change that have already gained momentum and may continue to shape the future over time.
Venture capitalists	Professional investors who provide funding, expertise, and governance support to early- and growth-stage companies in exchange for equity, aiming to generate high returns from their eventual scale or exit.
Venture passport	A mutual-recognition framework allowing venture fund managers to operate across multiple jurisdictions under one licence, reducing cross-border friction.
Weak signals	Early signs of potentially important changes that are not yet widely recognized or understood. Weak signals may indicate the emergence of new trends, disruptions, or innovations, and they are often detected on the margins of mainstream awareness.
Wildcards	Low-probability, high-impact events or developments that could significantly disrupt current trajectories.

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ISBN 978-92-61-42621-7



Published in Switzerland
Geneva, 2026

Photo credits: Adobe Stock