Innovation and Entrepreneurship
Alliance for Digital Development

Foresight brief series

Shaping the future of an African VC landscape

A product of the Innovation and Entrepreneurship Alliance for Digital Development initiative
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Acknowledgment and disclaimer

- The report, 'Shaping the future of an African VC Landscape', is part of the ITU Foresight Brief Series, a product of the Innovation and Entrepreneurship Alliance for Digital Development initiative under the Telecommunication Development Bureau. This report has been produced with support from the South Africa G20 Digital Innovation Ecosystem Development Working Group, led by the Department of Communications and Digital Technologies (DCDT) of South Africa.
- 'Shaping the future of an African VC Landscape' was prepared employing the methodology outlined in the ITU Playbook on Strategic Foresight developed by the Digital Transformation Lab, one of the vehicles of the Innovation and Entrepreneurship Alliance for Digital Development. This methodology aims to strengthen futures thinking capabilities within the Alliance and the ITU Membership.
- The research report was led and written by Mr Rafael Popper, under the supervision of Mohamed Ba, Head of the Digital Transformation Lab of the Alliance, with support from ITU consultant Udita Chaturvedi.
- The team would like to thank Mr Jim Paterson, Ms Jeanette Morwane, and Mr Craig Meyer from DCDT for their valuable support. We would also like to extend our gratitude to members of the G20 members for their inputs, who have contributed to the development of this report. In addition, the team extends special appreciation to the Government of South Africa for providing the opportunity to make this report possible.
- The information presented in this profile reflects inputs collected through surveys, stakeholder engagements, and workshops. These were further validated through a structured literature review as part of the profile development process. The report has also been peer reviewed by the G20 Membership and Strategic Foresight thematic group of the Expert Network of the Alliance.
- The report draws on a range of strategic foresight tools and frameworks from the ITU Playbook to guide its analysis. This presentation provides an overview of the key findings from the foresight study.
- The report contributes to the ITU-D priority of Digital Transformation and supports the outcome of strengthening Member States' capacity to integrate ICT innovation into their national development agendas.

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-sized enterprises (SMEs), it accelerates job creation, drives competitiveness, and supports the development of solutions that address pressing societal challenges. In Africa, where entrepreneurial dynamism is strong yet capital flows remain constrained, strengthening the VC landscape is not just a financial imperative—it is a pathway to inclusive, sustainable, and future-ready growth.

This foresight brief, "Shaping the future of an African VC landscape", invites us to reimagine how investment ecosystems can be built and scaled to meet the continent's needs. The brief is a product of the Innovation and Entrepreneurship Alliance for Digital Development. The series envisions equitable futures, guides the development of future scenarios, and shapes them to address an evolving world, making the digital ecosystem ready and competitive for emerging trends.

Digital transformation, demographic shifts, and global economic realignments are reshaping the opportunities and risks faced by entrepreneurs and investors alike. Harnessing foresight allows us to anticipate these changes, stress-test strategies, and design policies that mobilise capital, equip local fund managers, and strengthen trust between stakeholders. With inclusive and transparent practices, Africa's VC ecosystem can become a catalyst not only for enterprise development but also for advancing the Sustainable Development Goals.

At the same time, building a robust VC landscape is about more than mobilising finance. It is about creating enabling environments where diverse entrepreneurs—from women and youth to those in underserved regions—can access capacity, resources, networks, and markets needed to thrive. It is about establishing regulatory clarity, digital infrastructure, and governance mechanisms that give investors the confidence to commit long-term capital. Above all, it is about fostering collaboration across governments, development finance institutions, private investors, and civil society to ensure that innovation financing is both inclusive and resilient.

The International Telecommunication Union Development Bureau remains committed to supporting our Membership in this transformation journey. I look forward to seeing how this foresight report will inform national priorities and inspire bold action. ITU stands ready to work with our Membership to put these insights into practice and to build VC ecosystems that are inclusive, innovative, technology proof, and future-ready.

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

Foreword

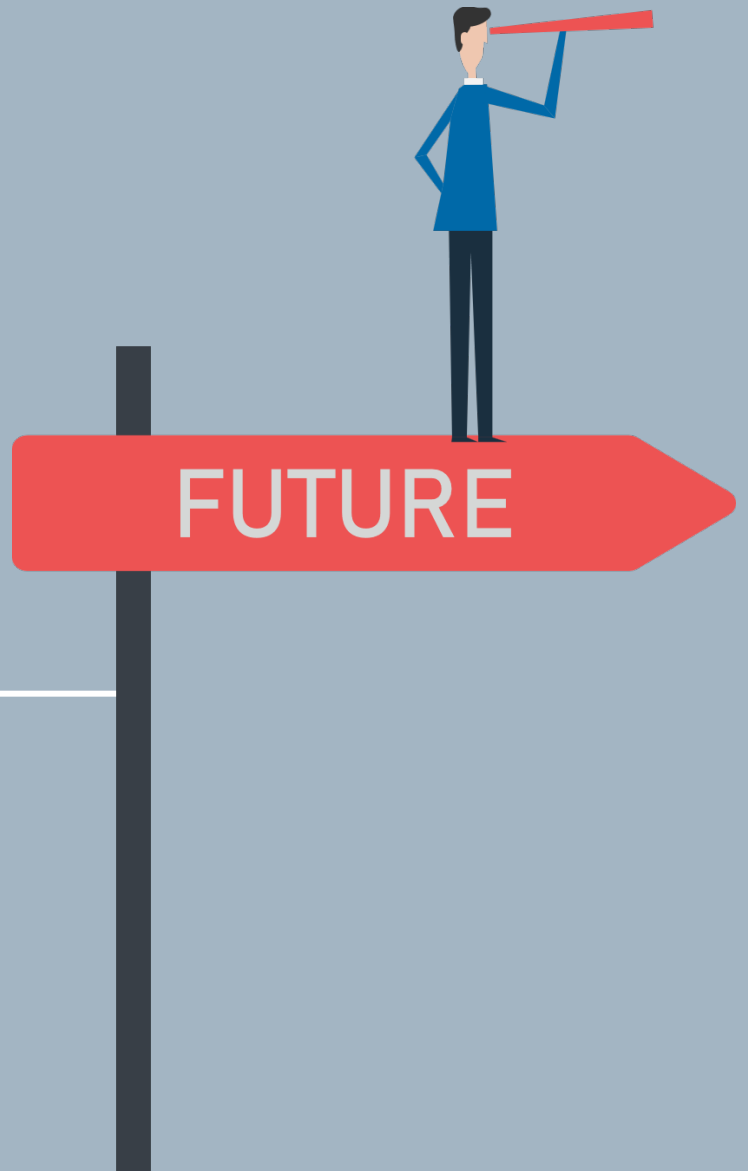
Venture capital is a critical lever for unlocking the growth potential of startups and innovation ecosystems. In Africa—where entrepreneurial dynamism is strong but access to finance remains limited—strengthening the venture capital landscape is essential to building inclusive, sustainable, and future-ready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

This foresight brief, Shaping the Future of an African VC Landscape, provides timely analysis on how strategic foresight can support Africa in designing investment ecosystems that are both resilient and equitable. It calls for mobilizing capital, building local fund leadership, enhancing digital infrastructure, and strengthening governance frameworks. Importantly, it underscores that venture financing must serve broader development goals—empowering women and youth, 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—ensuring that Africa's venture capital ecosystem becomes a powerful catalyst for sustainable growth and shared prosperity.

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

1. Introduction



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 futures might unfold by identifying trends, emerging issues, and critical uncertainties. It challenges linear thinking and invites us to imagine a range of plausible futures rather than rely 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 us to ask deeper questions: *What might happen? What should we be prepared for? And what future do we want to create?* In doing so, these approaches shift the focus from reacting to events as they arise to proactively engaging with the forces shaping tomorrow.

Strategic foresight equips institutions, governments and communities with the agility to adapt—and the imagination to innovate. Ultimately, it expands our field of vision so we can move forward with clarity and purpose, even when the road ahead is uncertain.

1.2 The importance of futures thinking

Addressing complexity and disruption in a VUCA world

Need for futures thinking in today's world

We live in an era of accelerating technological advancement, climate uncertainty, demographic shifts, and geopolitical turbulence. This environment, often described as VUCA—volatile, uncertain, complex, and ambiguous—demands new ways of thinking.

Futures thinking is essential because it shifts the focus from short-term fixes to long-term preparedness. It enables policymakers, innovators, and communities to anticipate disruptions and harness emerging opportunities. In doing so, it fosters a mindset of resilience and adaptability. Futures thinking is not only about survival—it is about shaping the kind of future we wish to inhabit.

It compels us to look beyond immediate pressures and engage in deeper questions: What kind of society are we building? Who benefits? Who might be left behind? In answering these, futures thinking becomes an essential compass for navigating uncertainty—an invaluable tool for building more inclusive, sustainable, and forward-looking systems.

Futures thinking to enhance long-term planning

Long-term planning often struggles to keep pace with the rate of change in today's 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, it challenges existing mental models and opens new strategic options.

Futures thinking allows organisations 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, prioritise innovation, and align initiatives with emerging needs.

By integrating futures thinking, planning becomes a dynamic, iterative process—better equipped to handle shocks, adapt to transitions, and pursue transformational outcomes. Ultimately, it strengthens our ability to act with foresight today for a more equitable tomorrow.

V Volatile: The environment is marked by rapid, unpredictable shifts that require swift and adaptive responses.

U Uncertain: The environment forces decision-making in the absence of clear or complete information.

C Complex: The environment involves multiple interconnected factors and moving parts, making it difficult to isolate cause and effect.

A Ambiguous: The environment presents unfamiliar situations that may lack precedent or clear interpretation, challenging existing expertise.

1.3 Introducing the foresight brief series

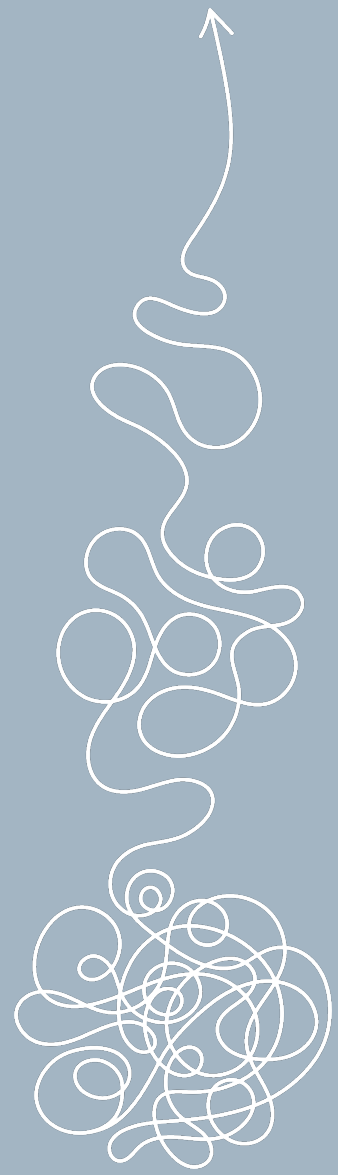
Helping members stay ahead of the curve

The Foresight Brief Series is a collection of research reports created to support ITU membership in navigating the uncertainties of an increasingly digital future. Developed by using strategic foresight methodologies and presented in an easy-to-consume format, the Series helps stakeholders stay ahead of the curve by identifying weak signals, analysing trends, and exploring emerging disruptions that could reshape key sectors.

Each report offers scenario-based insights, enabling policymakers and ecosystem actors to consider diverse futures and design forward-looking strategies that are both resilient and inclusive.

Far from predicting the future, the Foresight Brief Series invites a shift in mindset—from short-term reaction to long-term preparedness.

By presenting carefully curated futures intelligence, it empowers members to engage in trends-based foresight and make informed decisions in a rapidly evolving environment. The Series is designed not as an endpoint, but as a starting point for dialogue, collaboration, and co-creation among stakeholders.



1.4 ITU’s approach to foresight

A structured and collaborative methodology to anticipate change

ITU’s 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, ITU’s 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 research brief is drawn from ITU’s Playbook on Strategic Foresight, a step-by-step, tool-based guide that supports each stage of the foresight journey. The process aims to democratise foresight knowledge and practice, making these powerful tools accessible to a wide range of actors.

The foresight journey unfolds across several key stages. It begins with framing and scanning environmental signals and trends to identify early drivers of change. 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, a range of plausible scenarios are created 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 by the ecosystem over time.

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

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

1.5 Objectives of the foresight study

Unlocking the potential of an African VC landscape

Africa's start-up economy has become a recognised engine of job creation and innovation, yet it still captures only around 1.5 per cent of global venture funding (Partech, 2025). Africa's start-up economy has become a recognised engine of job creation and innovation, yet it still captures only around 1.5 per cent of global venture funding (Partech, 2025). By comparison, ASEAN economies attracted close to 8 per cent in 2024 (AVCA, 2025), underscoring Africa's untapped potential. Venture capital (VC) therefore 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 G20 principles of South Africa's presidency: solidarity (shared prosperity), equality (inclusive opportunity), and sustainability (long-term resilience).

The brief pursues four inter-locking aims that together chart a future-ready pathway for African VC:

Inclusive Engines – Unlock the full employment and empowerment potential of Africa's start-ups, especially for youth, women, and inter-generational entrepreneurs, by reinforcing VC's catalytic role in equitable wealth creation.

Pan-African Resilience – Elevate pools of African capital and leadership so that local investors, fund managers, and regulators drive the next wave of innovation and reduce exposure to external shocks.

Digital Equity – Channel smart capital into under-served sectors and regions, accelerating the diffusion of foundational digital infrastructure and ensuring no community is left behind in the digital economy.

Cross-Sector Renewal – Expand sustainable funding mechanisms that help renew strategic sectors – agriculture, health, mobility, clean energy – through technology-enabled, cross-industry solutions.

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

Inclusive engines

Pan-African resilience

Digital equity

Cross-sector renewal

1.6 The case of an African VC landscape

From bottleneck to lever

Venture capital (VC) remains both a decisive bottleneck and a powerful lever for enabling inclusive, sustainable, and future-ready growth. It plays a critical role in advancing the maturity of an innovation ecosystem, particularly during the "Valley of Death" phase of the entrepreneurial lifecycle—when early-stage ventures often face acute funding constraints that threaten their survival and growth.

VCs provide crucial funding at and around this stage—when other sources such as grants, seed funding, or angel investment are often insufficient or unavailable—enabling startups to scale operations and weather early challenges.

More than just financiers, VCs 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 investment typically requires strong teams, scalable models, and enabling regulatory and infrastructural environments. By supporting startups through their riskiest periods, VCs increase the likelihood of successful scale-ups, exits, and reinvestment of capital and experience—creating a virtuous cycle of innovation and growth within the ecosystem.

While investor interest is growing, the financing shortfall remains stark. The African Development Bank estimates a US $402 billion annual investment gap needed to meet the continent's development goals (AfDB, 2024). Addressing this challenge demands not only greater capital mobilisation but also more equitable, strategic, and resilient deployment of that capital.

Encouragingly, fundraising momentum is building: Africa-focused VC funds raised US $736 million in 2024—a 41% year-on-year increase—while venture debt issuance rose to US $1 billion, reflecting a shift towards non-dilutive capital for founders (Partech, 2024; AVCA, 2025).

Looking ahead, the future of African VC must be guided by a bold and inclusive vision—one that unlocks employment and wealth creation, empowers local fund managers, expands digital infrastructure, and drives innovation across strategic sectors. Thus, strengthening the African VC landscape is not only a regional imperative—it is a global opportunity to realise the shared prosperity and innovation that underpin the G20's agenda for inclusive digital transformation.

1.7 Actors across the VC value chain

Understanding systemic links

The African venture ecosystem is shaped by a wide spectrum of stakeholders whose roles span across the value chain– from mobilising 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 roles can be grouped into four interlinked stages, as presented in the table on this page: (i) Supply, where institutional and private investors provide capital; (ii) Production, where funds and angels deploy and manage that capital; (iii) Distribution, where networks and support services connect and prepare ventures; and (iv) Consumption, where start-ups, universities, and communities generate and absorb innovation.

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

Value chain stage	Stakeholder	Primary role in VC ecosystem
Supply	Limited Partners (LPs)	Provide institutional capital
	Sovereign Funds / Pension Funds	Mobilise long-term domestic savings
	DFIs and Regional Orgs	Finance VC and build ecosystem capacity
	Governments / Regulators	Shape policy, offer incentives, de-risk capital
	Diaspora Networks	Invest, mentor, bridge capital and expertise
	Corporate VC (CVCs)	Invest strategically, drive innovation
Production	VC Firms / General Partners (GPs)	Deploy capital and manage portfolios
	Angel Investors	Provide early-stage funding and mentorship
Distribution	Operating Partners	Support startups and create value
	Accelerators / Incubators	Prepare startups for growth and investment
	Networks (incl. Angel Networks)	Match capital, expertise, and deals
	Support Services	Deliver legal, HR, media, and workspaces
	Telecoms, ICT and Tech Hubs	Provide digital infrastructure and access
Consumption / Enabling	Startups / Founders	Build and scale innovative ventures
	Universities and Research	Generate IP, talent, and new ventures
	Civil Society and Community	Foster trust, inclusion, and narrative

2. Sensing in a VUCA world

2.1 Environment scanning

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–such as social, technological, economic, environmental, political, legal, and ethical–to surface patterns of change and map underlying forces shaping the future.

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

2.1.1 Evolving landscape of VC ecosystem

Exploring social signals of change

Demographics and local capital flows – More than 70 percent of Africans are under thirty, and the labour pool is set to expand by around 30 million people each year to 2040 – directing capital toward ed-tech, agri-tech and fintech that can absorb first-time workers (African Development Bank, 2024). Funding itself is becoming more local: African-domiciled vehicles supplied 41 percent of all VC raised in 2023, up from 27 percent in 2020, reflecting rising commitments from pension funds and family offices that read local demand signals first (Partech, 2024).

Inclusion and gender-lens capital – 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 – twice the 2019 share – and those start-ups are progressing to follow-on rounds faster than the regional mean (Partech, 2024).

Concentration and trust frictions – Yet social frictions persist. Lagos, Nairobi, Cape Town and Johannesburg still capture more than 70 percent of deal volume, widening geographic inequality and sparking calls for "secondary-hub" incentives and virtual accelerator models (AVCA, 2024). Surveyed founders also report lingering distrust of equity investors, citing opaque term sheets and "excessive return expectations" (ITU, 2025). Legal-risk audits confirm that inconsistencies in shareholder protections and disclosure fuel the perception that VC can be extractive (Clyde and Co., 2025).

Diaspora and impact flywheels – Offsetting these gaps is an expanding diaspora flywheel: Africa-born operators now based in North America and Europe supplied more than 15 percent of angel cheques in 2024, stitching cross-border networks that often unlock institutional capital (IFC, 2025). Impact-oriented funds meanwhile mainstream social key-performance indicators alongside internal rate of return (IRR), normalising double-bottom-line investing and reinforcing the view that tech ventures can fill service deficits in health, education and clean energy.

Whether the continent's demographic dividend translates into shared prosperity will hinge on three social pivots: diffusing capital beyond primary hubs, rebuilding founder–investor trust, and deepening inclusion of women, youth and diaspora talent.

STEEPLE

2.1.1 Evolving landscape of VC ecosystem

Exploring technological signals of change

Fintech dominance and gaps in deep-tech – Technology continues to dominate Africa's funding landscape: in 2023, fintech absorbed almost 60 percent of disclosed funding, propelled by Nigeria's alt-data credit-scoring engines and Kenya's M-Pesa–enabled farm-to-fork platforms (Partech, 2024). Yet ITU's 2025 survey cautions that this focus sidelines hardware, biotech, and other deep-tech fields, entrenching "risk-aversion for early-stage tech." Specialised AI and cyber-security grant schemes in Egypt, Kenya and Türkiye, along with vertical funds from corporate investors, are beginning to rebalance the pipeline; 41 percent of respondents cite "adoption of emerging technologies" as the ecosystem's greatest upside (ITU, 2025).

Infrastructure and connectivity – Infrastructure in core hubs is catching up. Hyperscale data-centre clusters around Johannesburg and Nairobi extend discounted compute credits to founders, lowering the cost of machine-learning trials. Still, fewer than one-third of rural SMEs enjoy reliable broadband – a constraint Ugandan and South African stakeholders flag as a brake on diffusion (AVCA, 2024).

Exit pathways and investment stages – Exit routes remain narrow: trade sales comprise over 70 percent of South-African liquidity events, tilting capital toward late-stage bets and leaving "thin-file" innovators scrambling for seed rounds (Clyde and Co., 2025). Corporate venture-capital arms – from Nigerian telcos to South-African conglomerates – are stepping in with strategic capital, while AI-driven due-diligence tools trim transaction costs by up to 40 percent, shrinking Africa's distance penalty for global funds (IFC, 2025).

Ecosystem catalysts – Respondents rank tech hubs and accelerators among the ecosystem's top catalysts, underscoring the influence of Nairobi's iHub, Lagos' CcHub, and Türkiye's technoparks in funnelling talent and proof-of-concepts.

Coupled with rural-connectivity initiatives and standardised impact metrics, these shifts could unleash leapfrog applications – from frugal-AI diagnostics to satellite-backed agri-advisory – nudging Africa's technological trajectory from consumption toward co-creation.

2.1.1 Evolving landscape of VC ecosystem

Exploring economic signals of change

Domestic ingenuity and fund-of-funds – Domestic ingenuity is converging with fresh capital structures to recast Africa's investment map. Public fund-of-funds, typified by South Africa's R 2.7 billion Innovation Fund, now shoulder first-loss risk and have attracted matching commitments from pension funds and family offices. This approach is cited by 32 percent of respondents to the ITU (2025) survey as the single most effective way to crowd-in private money.

Regional scale and diaspora remittances – Cross-border syndication is expanding rapidly: South-African and Kenyan general partners jointly led more than forty pan-African deals in 2024, reflecting feedback that regional scale is becoming "mission-critical" for exits (AVCA, 2024; ITU, 2025). Diaspora remittances – still topping US $20 billion – remain another resilient stream, with Nigerian respondents emphasising their role in seeding first cheques (World Bank, 2024).

Policy and macroeconomic shocks – Policy risks loom large. Kenya's 2024 digital-services and capital-gains taxes coincided with a one-third drop in quarterly deal value and triggered protests over "innovation flight" (Partech, 2024). Foreign-exchange volatility compounds risk: Nigeria's 2023 naira slide forced several funds to adopt active FX hedges, while German data illustrate how global liquidity cycles can whipsaw deal volumes, underscoring the need for stabilising sovereign anchors. Tourism-recycling pilots – in which visitor levies seed local funds – are being explored in Cape Verde as a non-dilutive buffer against volatility (AfDB, 2024).

Hub dominance and emerging responses – Four metros still capture seven in ten VC dollars. Respondents from Kenya and South Africa warn that hub dominance channels talent and valuation premiums to a handful of city-regions. In response, structured pipeline programmes, rural-connectivity bonds, and diaspora co-investment windows are gaining traction. At the same time, UAE-style macro magnets continue to lure African founders with late-stage capital and favourable tax regimes (Partech, 2024).

The continent's economic future hinges on widening participation beyond dominant hubs, shielding investment flows from policy and FX shocks, and scaling blended-finance structures that crowd in private capital. If these levers align, Africa's venture market could shift from fragile concentration toward a more resilient, regionally integrated growth engine.

2.1.1 Evolving landscape of VC ecosystem

Exploring environment signals of change

Slow uptake of green innovation – **Green innovation is edging into Africa's venture arena yet still commands under ten percent of 2023 disclosed capital, reflecting the "profit-first" hurdle rates that survey respondents say disadvantage capital-intensive climate solutions (ITU, 2025).**

Rising momentum and sovereign anchors – **Momentum, however, is building. The African Development Bank estimates the continent will require US $194 billion in annual adaptation spend by 2030 – a headline spurring sovereign anchors such as South Africa's R 2.7 billion Innovation Fund, whose first-loss tranches have already unlocked two private green-tech vehicles (AfDB, 2024; AVCA, 2024).**

Blended-finance and investable demand – **Blended-finance structures are multiplying. OECD (2024) counts 27 African clean-tech transactions using concessional layers in 2023, double the 2020 tally. AVCA (2024) records oversubscribed Series-A rounds for drought-resilient seed firms and solar mini-grid operators co-led by South-African and Gulf funds, showing how climate shocks are translating into investable demand. Blended finance, which combines public or philanthropic first-loss layers with private capital, has been pivotal to this momentum. An African-tailored playbook could accelerate uptake by adapting proven global models to fragmented local markets, helping policymakers and DFIs scale climate-tech investment beyond pilots into mainstream venture flows.**

Persistent funding gaps and deterrents – **Yet funding gaps persist. Partech (2024) calculates energy-transition and circular-economy ventures raised just US $540 million – well below fintech's US $3 billion haul – and fewer than one-third of climate deals exceeded US $5 million, underscoring growth-capital scarcity. Currency volatility and unclear carbon-pricing rules continue to deter investors, an issue highlighted in Clyde and Co. (2025).**

Emerging drivers and corporate participation – **Still, survey participants rank the emergence of clean-tech and green-tech as the ecosystem's most promising driver and point to carry structures that reward general partners once CO_2 or Sustainable Development Goal milestones are met (ITU, 2025). Corporate VC – from Nigerian telecoms to South-African miners – is pairing strategic off-take with venture cheques, while AI-enabled due-diligence tools documented by IFC (2025) cut costs by 40 percent.**

With stable Environmental, Social and Governance (ESG) regulation and rural-connectivity upgrades, these shifts could steer Africa's green transition from scattered pilots to scalable, climate-resilient industries.

STEEPLE

2.1.1 Evolving landscape of VC ecosystem

Exploring political signals of change

Catalytic public vehicles – Political choices are becoming the decisive swing factor for Africa-focused VC. Catalytic vehicles – such as South Africa's R 2.7 billion Innovation Fund and Sierra Leone's Directorate of Science, Technology and Innovation (DSTI) warehousing facility – are filling early-stage gaps, with each public dollar mobilising up to five private ones (OECD, 2024).

High-level venture policy – Countries that embed venture policy at cabinet level gain an edge. The UAE's Entrepreneurial Nation 2.0 links sovereign capital, startup visas, and free-zone reforms, and is now cited by African ministers seeking G20-aligned co-investment frameworks (AVCA, 2024).

Policy missteps and uncertainty – The flip-side is evident in Kenya, where a 6 percent digital-services tax and higher capital-gains levy sparked protests and a 33 percent funding drop – from US $473 million in 2023 to US $318 million in 2024 – undermining confidence overnight (ITU, 2025). Respondents in Nigeria and South Africa echo that "taxation and regulatory uncertainty" is the top deterrent, whereas peers in Türkiye and the UAE view high-level political backing as a magnet.

Roadmaps and global models – Coherent roadmaps help reduce risk. South Africa's Decadal Plan assigns innovation KPIs to each ministry, while Germany's ERP Special Fund and Zukunftsfonds illustrate how subsidy-free public capital can crowd in private money (AfDB, 2024). Yet rollout lags persist: Uganda's Startup Bill and Kenya's draft law promise clarity but founders still cite "slow rollout of startup laws" (ITU, 2025).

Positive incentives and macro stability – Nigeria's zero-percent tax on venture gains is redirecting diaspora and family-office cash toward local seed rounds, a trend survey participants call "government-led startup support." Macro stability also remains a premium: Botswana's calm elections and Rwanda's judicial independence feature in diligence checklists, showing predictable institutions can offset market-size limits.

If governments pair policy certainty with participatory reform – mirrored in Saudi Arabia's founder–government tax hackathons – Africa could convert political capital into a durable competitive advantage for investors.

2.1.1 Evolving landscape of VC ecosystem

Exploring legal signals of change

From oversight to enablement – Africa's legal architecture is shifting from reactive oversight to proactive venture enablement. Nigeria's Companies and Allied Matters Act (CAMA) 2020, South Africa's pending Companies Amendment Bills, and Kenya's 2023 digital-lender rules illustrate the twin track: faster incorporation but higher compliance bills. In the ITU (2025) survey, founders rank rising compliance costs among their three biggest hurdles, citing Kenya's new licence that lifts overheads by roughly 35 percent.

Global models and early-capital de-risking – Türkiye's National Technology Initiative highlights upside potential: streamlined company formation, a fintech/AI sandbox, and waived stamp duty now cut registration to under two days – an approach investors call "de-risking early capital" (ITU, 2025).

Minority protections and IP commercialisation – Minority-protection upgrades are strengthening term-sheet confidence. AVCA (2024) places Kenya and South Africa in the global top-20 for shareholder safeguards, while South Africa's King IV code is now referenced in eleven African exchanges. Intellectual-property commercialisation is another bright spot: South-African universities can swap patents for equity; meanwhile, the UAE's 2024 reform marries 100 percent foreign ownership with strict IP enforcement, which lawyers link to a 40 percent jump in international term-sheets.

Tax levers and incentives – Tax incentives are emerging as important tools. Nigeria's draft Seed-Capital Deduction Bill offers a 30 percent write-off for angel cheques, and Lagos and Johannesburg respondents cite such measures as the most effective legal lever for crowding in capital (ITU, 2025).

Lingering gaps and compliance burdens – Challenges remain. Only 28 percent of surveyed founders understand their duties under POPIA, GDPR, or Kenya's Data Act, and pan-African SaaS firms earmark around 12 percent of revenue for fragmented privacy compliance (IFC, 2025). Contract enforcement still averages 655 days in court, saddling cross-border deals with a governance premium.

Active founder participation – from Nigeria's inclusive capital-gains consultations to South Africa's iterative sandbox forums – offers a pragmatic pathway to align legal certainty with venture dynamism, turning compliance from a burden into a catalyst for stronger venture ecosystems.

2.1.1 Evolving landscape of VC ecosystem

Exploring ethical signals of change

From peripheral to central – Ethical scrutiny is no longer peripheral; it shapes term-sheets and limited-partner mandates. While investors admit a "return-only mind-set" still dominates many first-time funds, 48 percent now screen deals against explicit ESG metrics (ITU, 2025).

Country examples of the pivot – Kenya illustrates the shift: gender-inclusive mandates helped two local GPs attract new international limited partners in 2024, and every Kenyan respondent flagged "ethical business practices and accountability" as an emerging differentiator. Türkiye shows a similar trajectory; its National Technology Initiative requires publicly backed funds to disclose ESG alignment, pushing health-tech and green-tech GPs to adopt impact dashboards (ITU, 2025).

Deepening due diligence – Due-diligence depth is widening. The IFC notes that leading African funds have added labour-rights and data-privacy audits, while Zambia-based Chanzo Capital popularised zero-tolerance anti-bribery clauses and whistle-blower hotlines – tools several Ugandan respondents intend to copy (IFC, 2025; ITU, 2025).

Persistent fragmentation and risks – Yet fragmentation persists. Founders complain that divergent ESG vocabularies enable "impact-washing," and only 17 percent of 2023 African deals had female chief executives (AVCA, 2024).

Toward convergence through regulation – Regulation may provide convergence. South Africa's King IV code, Kenya's Data-Protection Act, and the African Union's draft Responsible-AI Charter are cited as credible guard-rails, though compliance costs continue to worry early-stage founders. Respondents from the UAE and EU add that forthcoming global AI rules could reward start-ups embedding ethical-AI design from day one.

Embedding shared disclosure templates – such as the IFC ESG Toolkit – could curb impact-washing, level founder–investor power, and turn Africa's ethics movement into a magnet for long-horizon capital.

2.2 Drivers of change

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

This analysis helps prioritise which dynamics are most critical in shaping long-term trajectories.

2.2.1 Critical forces steering the landscape

Mega drivers shaping the landscape for tomorrow

Survey feedback, interviews and market data surfaced over 100 signals. Soft factors – risk perceptions, language, diaspora ties – shaped deals, forming Trust, Culture and Relational Capital. The gap between ESG pledges and profit focus forged Impact Integrity and Ethical Drift. Connectivity shortfalls and limited tools created Tech Infrastructure and Digital Divide; slow courts, rigid LP contracts and localisation rules became Legal and Regulatory Bottlenecks. Funding swings exposed Economic Access and Capital Dynamics. Financing hurdles for climate ventures framed Environmental Uncertainty and Green-Finance Gaps. Catalytic funds and policy gaps shaped Government Role and Policy Alignment. Diligence issues produced Data, Measurement and Transparency.

Each cluster was stress-tested against live trends – local pension money, venture debt, geographic spread and regulatory flux – revealing eight high-leverage, high-uncertainty drivers. These drivers are presented on the table on this page.

A shift in any one – for example, enactment of a continent-wide data-governance code or withdrawal of sovereign anchor capital – could redirect Africa's venture-capital trajectory within five years, making these eight forces the backbone 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 in how they may evolve. This dual lens clarifies which forces are relatively predictable and which require closer foresight monitoring. For example, while legal harmonisation shows high impact but lower uncertainty, digital infrastructure and inclusion remain high impact but medium–high uncertainty, reflecting risks of uneven broadband rollout and the persistence of rural connectivity gaps.

Uncertainty ratings in the driver matrix are indicative, based on survey responses, interview insights, and secondary evidence synthesised in the narrative sections. They are not forecasts but foresight signposts, highlighting where the trajectory of change is more predictable and where volatility or policy shocks create higher variability. These ratings should be read as guidance for scenario-building rather than as definitive probability estimates.

Drivers	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 harmonisation	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

2.2.2 Unpacking the drivers of change

Understanding the impact and uncertainties surrounding the key influencers

Societal trust and relationship networks

Investors like to talk about deal flow engines, yet in Africa most engines still run on human trust. Two-thirds of founders say warm introductions, not pitch decks, determine who gets the first cheque (ITU, 2025). That invisible social currency explains why diaspora angels – with their dual credibility – now seed one in seven Nigerian start-ups and why Moniepoint's bridge round filled in days through repeat backers (AVCA, 2024). The outlook, however, is far from linear. Language gaps, long-distance power dynamics and stories of opaque term sheets keep suspicion alive; in Kenya 41% of respondents called "excessive return demands" their top deterrent (ITU, 2025). If virtual accelerators, local LPs and bilingual syndicate leads can broaden relationship webs faster than mistrust spreads, capital will circulate beyond the big four hubs. If virtual accelerators, local LPs and bilingual syndicate leads can broaden relationship webs faster than mistrust spreads, capital will circulate beyond the big four hubs.

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

Impact authenticity and ethical governance

Ethics has moved from side-panel to centre stage. Nearly half of limited partners now refuse to wire funds until they see verifiable environmental, social and governance metrics (ITU, 2025). Kenyan general partners learned this the uplifting way – gender-inclusive scorecards helped two raise fresh international capital in 2024. Yet every advancement is shadowed by "impact-washing." Different ESG vocabularies, vague additionality claims and one-page "green" pledges let some riders slip through; Clyde and Co. (2025) shows a 17% spike in disputes over unmet impact targets. That tension – between authentic purpose and opportunistic branding – injects real uncertainty.

What to watch: adoption rates of third-party ESG audits; frequency of deals collapsing at ESG-diligence stage; progress toward finalising the African Union's Responsible-AI Charter.

Digital infrastructure and inclusion

Cheap spectrum auctions, hyperscale data-centres and cloud-credit programmes are reshaping Africa's digital skyline. Machine-learning costs for Johannesburg start-ups fell 40% last year thanks to discounted compute offered by two new server farms (IFC, 2025). The risk is that infrastructure progress remains lopsided: fewer than one-third of rural SMEs enjoy dependable broadband, stunting local SaaS uptake and data quality (AVCA, 2024). Mobile-money stories show leapfrogging is possible – US $1.4 trillion in annual flows – but only if connectivity follows. Closing the divide could unlock whole new cohorts of agri-tech, ed-tech and health-tech users; widening it could cement a two-tier digital economy.

What to watch: rural 4G/5G coverage; broadband price-to-income ratio; proportion of venture rounds bundling cloud-credit incentives.

Legal certainty and regulatory harmonisation: Deal lawyers groan about the 655-day average to enforce contracts across African courts (Clyde and Co., 2025). Momentum, however, is shifting. Nigeria's CAMA 2020 slashed incorporation fees and enabled single-founder companies; Kenya's draft Startup Act offers similar streamlining. Minority-shareholder protections in Kenya and South Africa rank among the world's top twenty (AVCA, 2024), boosting term-sheet confidence. Uncertainty stems from uneven rollout: Uganda's bill has stalled two years, and cross-border data laws remain a maze. Should mutual-recognition treaties and sandbox passports land, friction costs will tumble; if not, risk premiums stay.

What to watch: average incorporation time; cross-border licence approvals; court-enforcement backlog.

2.2.2 Unpacking the drivers of change

Understanding the impact and uncertainties surrounding the key influencers

Capital access and market integration

South Africa's R 2.7 billion Innovation Fund shows one sovereign anchor can mobilise five private dollars (OECD, 2024). Similar blended vehicles are budding in Egypt, Côte d'Ivoire and Ghana. Yet foreign-exchange volatility and mandate exclusions can choke flows overnight: Kenya's digital-services tax preceded a one-third venture decline (Partech, 2024), while Nigeria's naira slide pushed funds to hedge. Geographic concentration compounds risk – four metros still absorb 70% of capital. The race is on between inclusive pipeline programmes and the gravitational pull of established hubs.

What to watch: share of African-domiciled LP capital; dispersion of funding beyond primary hubs; growth of cross-border syndication.

Climate finance and green innovation

The AfDB estimates Africa needs US $194 billion in adaptation funding each year by 2030 (AfDB, 2024), yet climate-tech drew under 10 percent of venture dollars in 2023. First-loss public vehicles are luring private cash – OECD (2024) counted 27 blended clean-tech deals in 2023, double 2020. Still, growth cheques are scarce: Partech (2024) puts energy-transition funding at only US $540 million versus US $3 billion for fintech. Currency swings and uneven carbon-pricing deepen caution. Momentum could flip if impact-linked carry structures – now trialled by Gulf-Africa syndicates – prove lucrative.

What to watch: green-tech's share of VC funding; uptake of carbon-linked carry structures; national adoption of carbon market mechanisms.

Policy leadership and public-sector collaboration

Cabinet-level venture strategies are becoming decisive. The UAE's Entrepreneurial Nation 2.0 bundles sovereign capital, start-up visas and free-zone perks; three African ministries have requested its playbook (AVCA, 2024). Conversely, Kenya's tax hikes sparked protests and a 33% funding slide, showing how quickly policy missteps repel capital (ITU, 2025). Stability matters too: Botswana's calm elections now feature in due-diligence checklists. The uncertainty lies in electoral cycles and bureaucratic lag – Uganda's Startup Bill is still stuck in drafting.

What to watch: policy-change frequency; size of sovereign anchor cheques; survival rate of incentives across administrations.

Data transparency and impact measurement

Investors crave hard numbers, yet impact metrics remain a patchwork. Half of surveyed founders say differing ESG templates lengthen diligence by weeks (ITU, 2025). Where data are clean, AI-driven tools chop 40% off transaction time (IFC, 2025); where they are not, legal teams step in, adding cost. Privacy laws such as South Africa's POPIA enhance user trust but splinter compliance across markets. A tipping point may arrive if a critical mass adopts the IFC ESG toolkit or if the AU finalises continent-wide standards.

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

3. Visioning the futures

3.1 The possible scenarios

This section presents the process of envisioning a diverse set of possible futures by examining how selected drivers of change, and the interplay of their pull and pull with each other, might interact over time. Through structured exploration, several scenarios are developed—each reflecting a different combination of risks, opportunities and systemic dynamics.

These scenarios are then assessed for their implications, including potential strengths, vulnerabilities, knock-on effects.

3.1.1 Possible scenarios of the future

The interplay of the drivers' pull and pull with each other

To explore how the future of an African VC landscape might unfold, this foresight study started with 100-plus signals, and then distilled eight high-leverage, high-uncertainty drivers—forces expected to significantly influence system dynamics over time.

From this broader set, the most impactful and uncertain drivers were prioritised based on their potential to shape investment behaviour, institutional response and ecosystem maturity. Working with ITU Knowledge Partners, we paired them into four critical tensions, each forming the perpendicular axes of a 2 × 2 matrix. Because each matrix contrasts "high" and "low" states of two drivers, it produces credible yet contrasting futures. These possible futures span a wide spectrum—from optimistic and transformative to more challenging or status-quo trajectories. They illustrate paths from fragmentation to alignment, scarcity to innovation—each calling for forward-looking leadership, strategic partnerships and inclusive, flexible approaches.

Scenario set 1 – Capital Clarity × Transparency

Among the eight drivers, impact authenticity and ethical governance with data transparency and impact measurement stand out as both pivotal and uncertain. One axis gauges clarity of impact metrics – do investors share concise, comparable yard-sticks or muddle through vague proxies? The other captures transparency of venture practices, ranging from open, auditable disclosures to opaque "black boxes." Progress on either front is uneven: a handful of funds already publish third-party-assured dashboards, while many offer little beyond headline returns. Because trust underpins capital formation, clearer metrics without transparency – or vice-versa – only partially solves the problem. Crossing high-versus-low states on each dimension generates four futures: unchecked impact-washing, performative compliance, chaotic buzzword investing, or fully accountable "Crystal Capital."

Scenario set 2 – Infrastructure Equity × Talent Distribution

Digital infrastructure and inclusion intersects with societal trust and relationship networks in shaping who can innovate, and where. One axis measures equity of digital infrastructure – from universal broadband to lingering last-mile deserts. The other tracks talent geography: will expertise remain city-bound or diffuse through secondary hubs? Fibre roll-outs, satellite projects and cloud credits could level the field – or stall amid fiscal shocks. Similarly, hybrid work and diaspora-return schemes might spread

Drivers	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 harmonisation	High	Medium
Capital access and market integration	High	Medium-High
Policy leadership and public-sector collaboration	High	Medium-High
Data transparency and impact measurement	High	Medium

3.1.1 Possible scenarios of the future

The interplay of the drivers' pull and pull with each other

or metropolitan allure could intensify concentration. Mapping these uncertainties produces four worlds: "Offline Frontiers," where talent exists but pipes lag; "Next Billion Builders," marrying dispersed talent with robust connectivity; "Techno-Cities," an entrenched urban stronghold; and "Silicon Islands," pockets of elite connectivity amid broader exclusion.

Scenario set 3 – Return Pressure × Impact Orientation

The push-and-pull between capital access and market integration and impact authenticity and ethical governance crystallises in the axis pairing of investor return expectations and maturity of social-impact practice. Steep internal-rate-of-return (IRR) targets compress holding periods and favour quick-flip models; mature impact vehicles, by contrast, value patient capital and outcome-linked carry. Both drivers fluctuate with global liquidity cycles, regulation and LP sentiment, making their future states highly uncertain. When plotted, the axes yield four quadrants: a "Purpose Desert" where neither profit nor mission is compelling; an "*Impact Alpha*" sweet spot balancing both; a "Greed Machine" dominated by high-return demands; and "Patient Pathways," where impact deepens despite modest returns.

Scenario set 4 – Policy Stability × Cross-Sector Collaboration

Policy leadership and public-sector collaboration meets legal certainty and regulatory harmonisation. The horizontal axis tracks policy and regulatory stability, influencing investment horizons and IP localisation. The vertical axis measures depth of collaboration among VCs, governments and NGOs, determining how swiftly bottlenecks – from coding curricula to climate finance – are solved via joint ventures or co-designed reforms. Election cycles, debt negotiations or geopolitical shifts can up-end stability; collaboration likewise hinges on leadership and institutional trust. The resulting quadrants are "Governance Drift," 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 fragments but local micro-alliances improvise resilience.

Within each scenario set presented in the graphic on this page, the scenario in red represents a path of decline, while the scenarios in green reflects a more transformative direction. Different countries may find themselves aligned with different scenario trajectories and are encouraged to reflect on their own position and consider shift towards more desirable futures.

Scenario Set 1: Capital Clarity and Transparency

1. Black box boom
2. Crystal capital
3. Auditopia
4. Chaos capital

Scenario Set 2: Return pressure and Impact orientation

1. Techno-cities
2. Next billion builders
3. Offline frontiers
4. Silicon islands

Scenario Set 3: Infrastructure equity and talent distribution

1. Purpose desert
2. Impact alpha
3. Greed machine
4. Patient pathways

Scenario Set 4: Policy stability and Cross-sector collaboration

1. Governance drift
2. Trust triangle
3. Token gestures
4. Patchwork progress

3.1.2 Wildcard caution and optimism

Exploring disruptive risks and positive surprises

Besides the driver-based scenario mapping, several negative wild cards – low-probability events capable of overturning assumptions – were also identified. Dozens surfaced, but three were prioritised because each probes a different flank of the eight drivers: artificial-intelligence disruption (trust and data transparency), geopolitical fragmentation (policy stability and digital inclusion), and capital flight (market integration and climate finance). These scenarios therefore merit close, continual watch:

AI coup imagines algorithmic deal engines out-performing human partners; while bias may drop, accountability and fiduciary liability enter uncharted territory, unsettling limited partners and regulators.

AI sovereignty shock envisions geopolitically driven data-localisation blocks that balkanise digital markets, multiplying compliance steps and eroding the scale economies African start-ups need. Several localisation measures already exist today; the wildcard reflects a rapid, coordinated escalation across multiple jurisdictions.

Capital blackout scenario models a reputational scandal that prompts global LPs to suspend commitments abruptly, freezing new funds, crushing valuations and forcing emergency consolidations across the continent's VC landscape.

While some foresight work focus on linear trends, an "optimistic-wildcard" lens was also applied – asking what positive surprises could suddenly propel Africa's VC landscape beyond today's projections. Several high-impact possibilities surfaced:

Frugal-AI leapfrog – African engineers develop ultra-efficient models that run on low-power chips, slashing cloud costs and driving a fresh wave of inclusion-tech deals.

Pan-African digital momentum – A continent-wide digital-ID and real-time-payments backbone removes KYC and FX friction, letting start-ups scale regionally from day one.

Leapfrog trust – Universal impact-reporting standards shift the conversation from "can we trust the numbers?" to "how fast can we grow responsibly?" – drawing a new class of mission-aligned LPs.

Data-commons pact – Governments adopt interoperable, open-data rules; founders mine anonymised health, agri and climate datasets to create breakthrough platforms.

Green-leap alliance – A G20–Africa compact channels concessional climate finance into local funds, positioning Africa as a laboratory for green hydrogen, solar micro-grids and circular manufacturing.

Diaspora brain-gain – Policy incentives spark a wave of senior technologists returning home, lifting start-up execution quality and deepening angel syndicates.

Community foresight champions – AI-driven ideation tools enable grassroots groups to design investable ventures – broadening the pipeline beyond capital cities.

Hyper-cooperative start-up alliances – Founders plug into AI-enabled co-investment networks that swap talent, share code and negotiate as blocs, lowering failure rates.

Quadruple-helix impact wave – Governments, universities, corporates and civil society synchronise SDG targets with venture mandates, unlocking blended pools previously trapped in silos.

AI-driven circular pivot – Digital twins optimise resource loops in new industrial zones, creating Africa's first zero-waste corridors and an investable clean-tech cluster.

Wild-card events show that venture trajectories are rarely linear: a single shock can compress a decade of evolution into a few feverish funding cycles, with consequences both positive and perilous.

3.1.3 Wildcard caution deep dive

Zooming into the disruptive future of an ‘AI coup’

In the “AI Coup,” 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. Social consequences surface quickly: founders from under-documented regions are 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 cyber-conflict targets.

Economically, fees fall but so does relational capital; without mentor networks, portfolio survival rates dip. 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 start-ups, whose impact KPIs are harder to quantify, receive near-zero allocations, stalling Africa’s green-transition pipeline. Politically, governments lose visibility into capital flows, weakening their ability to steer development goals; some retaliate with data-sovereignty laws, further fracturing markets. Legally, liability for algorithmic errors remains murky, spawning cross-border litigation. Ethically, accountability gaps widen: no clear mechanism exists for communities to contest algorithmic decisions.

Stakeholders react unequally: public treasuries see tax receipts dive as exits slow; private GPs pivot to model-training services, sidelining advisory roles; banks face sudden mark-downs of AI-picked loan portfolios; universities struggle to place graduates; accelerators lose revenue; entrepreneurs are forced into self-financing or relocate to jurisdictions with hybrid decision models.

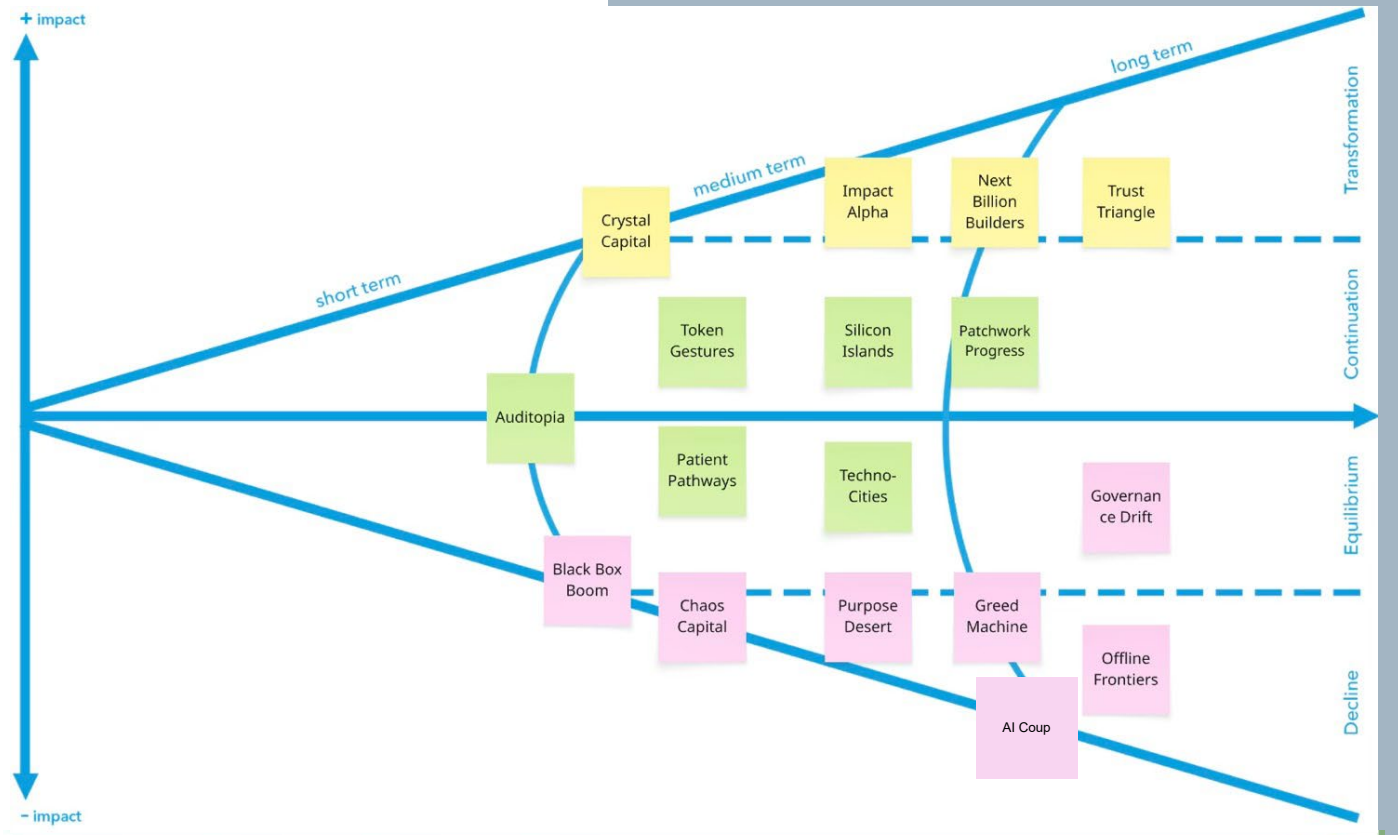
Because the AI Coup collides with multiple critical drivers – trust networks, ethical governance, digital inclusion – it could cascade into systemic failure. ITU and its knowledge partners therefore track early warning signs such as LP mandates for fully automated screening, litigation over model bias, and capital-flight spikes after mis-scored exits. Analysing such a disruption builds resilience: by stress-testing data-governance standards, diversifying decision pipelines and preserving human oversight, stakeholders can reduce the odds – and severity – of an AI-dominated future upending Africa’s venture ecosystem.

3.1.4 Exploring a range of scenarios

Potential directions for the future of an African VC landscape

These scenarios presented in the report, and other identified, illustrate a spectrum of potential pathways shaped by varying degrees of impact and uncertainty linked to the drivers most relevant to the future of an African VC landscape. The timeline for realising these scenarios may range from short to long term, depending on how quickly uncertainties unfold and system-level responses take shape.

Through collaborative analysis, stakeholder engagement, and expert review, a set of transformational futures was shortlisted from these scenarios and analysed.



Source of tool: Futures Cone from ITU Strategic Foresight Futures

3.2 The desired scenario

This section presents a shortlist of scenarios stress-tested against the objectives of the foresight study to assess their potential impacts and alignment with goals.

From this set of possible futures, a desired scenario is picked and analysed, providing a shared vision to guide planning and decision-making.

3.2.1 Assessing a range of transformational scenarios

Potential positive directions for the future of an African VC landscape

Crystal capital

Driver Combination: Impact authenticity and ethical governance + Data transparency and impact measurement

Crystal Capital scores strongly on three aims: by pairing clear impact metrics with radical fund transparency it channels money toward youth- and women-led ventures (Inclusive Engines), spreads digital services through verified inclusion dashboards (Digital Equity), and legitimises cross-sector partnerships that recycle data and lessons (Cross-Sector Renewal). Its one neutral mark – Pan-African Resilience – reflects the fact that clarity alone cannot overcome structural imbalances in the geographic distribution of capital; sovereign-anchor programmes are still required to steer funds beyond the "big four" hubs.

Next billion builders

Driver Combination: Digital infrastructure and inclusion + Societal trust and relationship networks

Next Billion Builders pivots on rural connectivity. New fibre and mobile-money rails enable dispersed talent to found, hire and trade (Digital Equity, Pan-African Resilience). However, inclusion is uneven because risk capital still gravitates toward founders already connected to urban networks, producing a neutral score for Inclusive Engines and Cross-Sector Renewal. The scenario is a reminder that infrastructure can open doors only if complementary finance follows.

Impact alpha

Driver Combination: Capital access and market integration + Impact authenticity and ethical governance

Impact Alpha balances mission and margin. Rigorous disclosure raises trust and thus broadens participation (Inclusive Engines), while moderately higher local-capital ratios buffer external shocks (Pan-African Resilience). Yet the model remains cautious toward cap-heavy industries such as climate-tech or advanced manufacturing, explaining its ambivalent rating on Cross-Sector Renewal. The scenario also assumes existing digital rails remain adequate, hence its positive but not outstanding contribution to digital equity.

Trust triangle

Driver Combination: Policy leadership and public-sector collaboration + Legal certainty and regulatory harmonisation programmes

Trust Triangle is the most holistic future: stable, coherent policy combines with deep public-private-civil collaboration.
By definition, it meets all four objectives – spreading opportunity, pooling resilience, closing digital gaps,
and aligning capital with sectoral transformation – hence its quartet of positive faces.

3.2.2 Prioritising the desired scenario

Stress-testing strategic objectives across scenarios

To assess alignment with the foresight study's core objectives, the five scenarios were mapped against the intended outcomes of the research, and stress tested.

In the table on this page, a smiling-face emoji indicates a positive impact of the scenario on the objective, straight-face emoji indicates a neutral impact, and sad-face emoji indicates a negative impact.

As the comparison reveals, while each scenario offers unique strengths or weaknesses, one of them clearly emerges as the most desirable future, showing strong alignment across all four objectives.

Objectives / Scenario Titles	Objective 1: Inclusive engines	Objective 2: Pan-African resilience	Objective 3: Digital equity	Objective 4: Cross-sector renewal
Crystal capital	😊	😊	😊	😐
Next billion builders	😊	😐	😊	☹
Impact alpha	😐	😊	😊	😐
Trust triangle	😊	😊	😊	😊
AI coup	☹	☹	☹	☹
Frugal AI leapfrogging	😐	😊	😊	😐

Source of tool: ITU Strategic Foresight Windtunneling Canvas

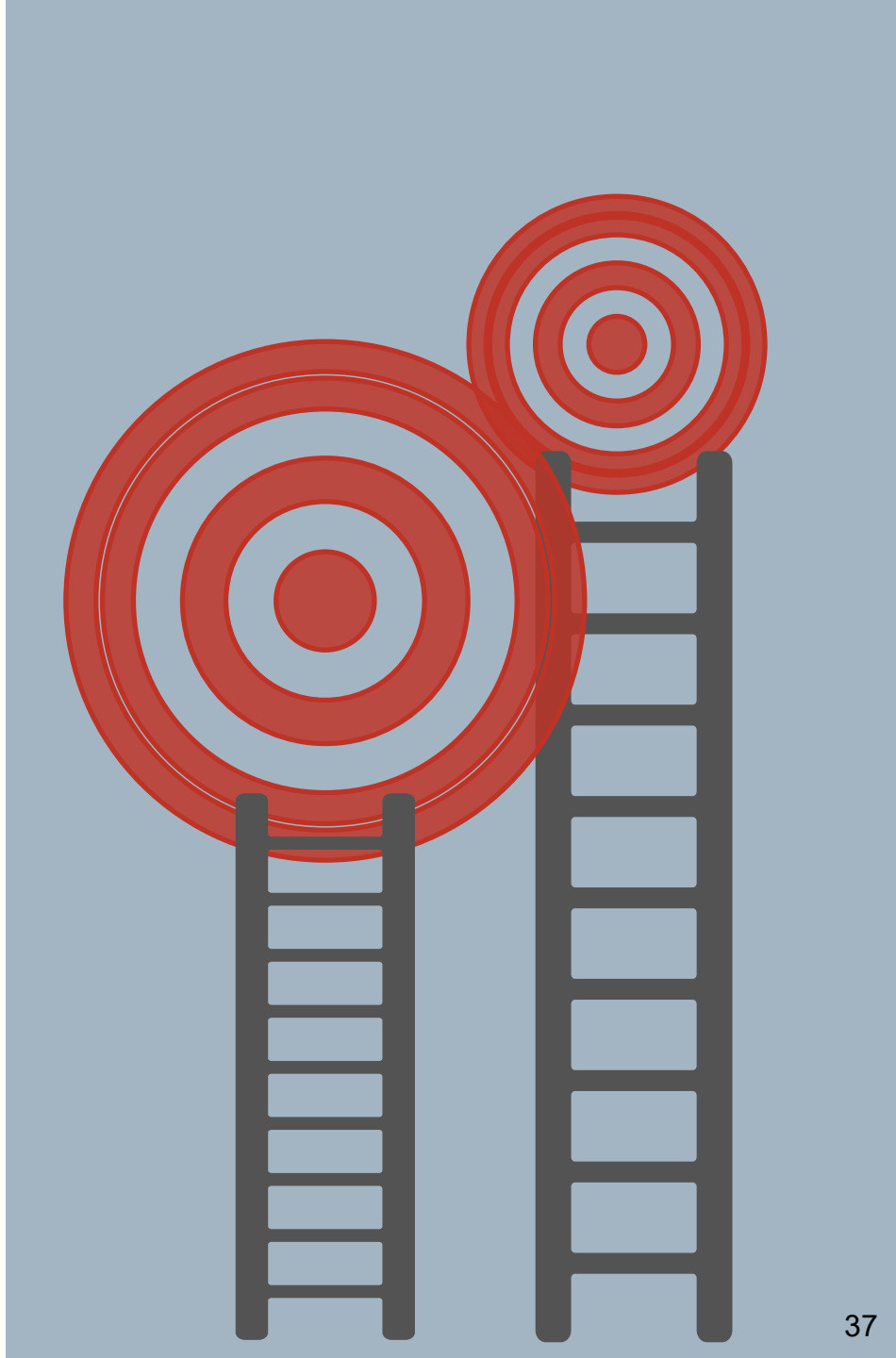
3.2.3 Narrowing down on desired scenario

Pathway from ‘crystal capital’ to ‘trust triangle’

Crystal Capital is the most realistic short-term ambition because it leverages tools already in pilots – standardised impact metrics, open ledgers for fund reporting, and limited-partner pressure for publish-or-perish transparency. Implemented in the next three-to-five years, these mechanisms can repair founder-investor trust, reduce due-diligence friction, and demonstrate that rigorous measurement does not stifle returns. As confidence grows, public agencies are more likely to commit catalytic capital and harmonise disclosure rules, while ecosystem actors learn to share data without fear of “impact-washing.”

Those very conditions seed the evolution toward 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: policy stability attracts deeper pools of domestic and diaspora money, which in turn finances more diverse founders and sectors, reinforcing societal trust.

In this pathway, Crystal Capital acts as the necessary scaffolding; Trust Triangle becomes attainable only after transparency and measurement have reshaped behaviour and expectations across the African VC landscape.



3.2.4 Identifying a short-term ambition

Zooming into the future of ‘Crystal Capital’

“Crystal Capital” emerges where impact-measurement standards are unambiguous and every fund’s pipeline, term sheet and post-deal data feed into a shared, blockchain-secured dashboard. Socially, the practice normalises radical transparency: 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 APIs let start-ups stream real-time ESG telemetry to investors, regulators and communities at negligible cost, accelerating the diffusion of pay-as-you-go solar, tele-health and ed-tech into previously overlooked secondary cities.

Economically, clarity slashes diligence and fraud-monitoring expenses by an estimated 30 percent (IFC, 2025), freeing capital for earlier-stage cheques and cushioning funds against foreign-exchange shocks through faster, data-driven course-corrections. Environmentally, universally accepted carbon-intensity tags allow blended vehicles to channel concessional tranches toward green-hydrogen pilots or circular-economy hubs and 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 harmonise disclosure rules across seven leading exchanges, cutting cross-border paperwork from months to weeks. Ethically, full-stack visibility curbs “impact-washing” and empowers civil-society watchdogs.

Stakeholder experience: public agencies monitor programme ROI in real time; private GPs pitch new funds on the strength of open performance trails; banks price venture-debt products off verified impact risk; universities spin out IP under clear royalty-for-equity templates; accelerators teach founders to integrate impact telemetry from day one; entrepreneurs gain faster, fairer access to capital. The scenario advances 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. It therefore aligns tightly with the G20 commitment to “leave no-one behind.” Remaining uncertainties include the speed of regulatory harmonisation and the cost of upgrading legacy systems – watch indicators such as average verification time for impact KPIs and the proportion of funds publishing machine-readable deal data.

Watch out: Transparency alone cannot rebalance capital flows; geographic concentration may persist without sovereign anchors.

3.2.5 Identifying a long-term vision

Zooming into the future of 'Trust Triangle'

"Trust Triangle" unfolds once stable, coherent policy frameworks intersect with deep, institutionalised collaboration among government, investors and civil society. On the social front, coordinated curricula between universities and accelerators build a generation of investment-ready founders fluent in governance, ethics and frontier tech. Widespread digital ID and pan-African payment rails, funded jointly by telcos and development banks, close infrastructure gaps and enable rural "micro-LPs" to invest via fractional shares – broadening inclusion and diaspora engagement.

Technologically, open-source regulatory sandboxes allow AI-driven credit-scoring, genomics and green-hydrogen ventures to test products simultaneously in multiple jurisdictions, halving time-to-market. Economically, pooled sovereign anchors and diaspora bonds create a $5 billion counter-cyclical facility that cushions macro shocks and crowds in private growth equity (OECD, 2024). Environmentally, joint climate-risk maps guide both insurers and municipalities, directing capital toward adaptation corridors and boosting local procurement of clean-tech hardware.

Politically, ministers convene quarterly in a Venture-Policy Forum that draws on Crystal-grade dashboards to fine-tune incentives, while city 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, rooted in King IV, standardises minority safeguards. A pan-African Responsible-AI Charter, shaped through multistakeholder dialogue, now anchors dataset curation, bias audits and grievance redress.

Stakeholders now navigate a seamless system. Officials deploy "plug-and-play" incentives; corporates pool IP on shared commercialisation platforms; DFIs supply guarantees only when local banks co-finance; researchers see faster spin-outs; ecosystem builders convene neutrally; founders visit one help-desk for visas, licences and seed grants. The model braids solidarity (risk-sharing), equality (passport access for smaller funds) and sustainability (climate-aligned capital). Remaining uncertainties – political turnover and alliance fatigue – will be tracked through passport-renewal rates and the proportion of public procurement flowing to certified impact ventures.

Watch out: Sustaining coordination across governments, investors, and civil society may falter under policy reversals or alliance fatigue.

3.2.6 Enablers for the long-term desired scenario

Factors that make ‘Trust triangle’ a desired scenario

Pan-African policy harmonisation and regulatory trust

A continental venture passport, standardised term-sheets, and a pan-African Responsible-AI Charter reduce regulatory friction and strengthen cross-border investment. These tools build trust, simplify compliance, and enable regional scaling for startups and funds. This matters for an African VC landscape as it enables faster cross-border licensing for managers; clearer guardrails in regulation.

Collaborative public–private investment platforms

Blended instruments like the USD 5 billion counter-cyclical facility align sovereign anchors, diaspora bonds, and private capital. They cushion macro shocks, crowd in equity, and embed long-term resilience in Africa’s VC system. This matters for an African VC landscape as it buffers LPs against volatility; expands growth capital for founders.

Inclusive digital Infrastructure and ownership models

Digital ID and real-time payments systems empower rural “micro-LPs” to invest via fractional shares. These tools broaden access to finance, enhance participation, and bring underserved communities into the venture economy. This matters for an African VC landscape as it enables new funding routes for founders; broader participation for retail investors.

Grassroots-led venture pipeline design

Community leaders and civil society shape investment priorities, ensuring capital flows reflect local needs. Their role improves trust, social relevance, and equitable access to innovation opportunities across regions. This matters for an African VC landscape as it enables founders to gain legitimacy; LPs see stronger social licence.

Cross-sector regulatory sandboxes for innovation

Open, cross-border sandboxes allow AI, genomics, and green-tech ventures to test solutions safely and efficiently. They support responsible innovation and accelerate market readiness across strategic sectors. This matters for an African VC landscape as it facilitates faster product testing for founders; and allows clearer oversight for regulators.

Integrated talent and knowledge systems

Curricula co-developed by universities and accelerators equip founders with ethical, governance, and tech skills. This builds an investment-ready generation and strengthens execution capacity across the ecosystem. This matters for an African VC landscape as it better-prepares founders; and enables stronger deal quality for investors.

Together, these enabling 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-sector renewal—ultimately creating an environment grounded in solidarity, equality, and sustainability.

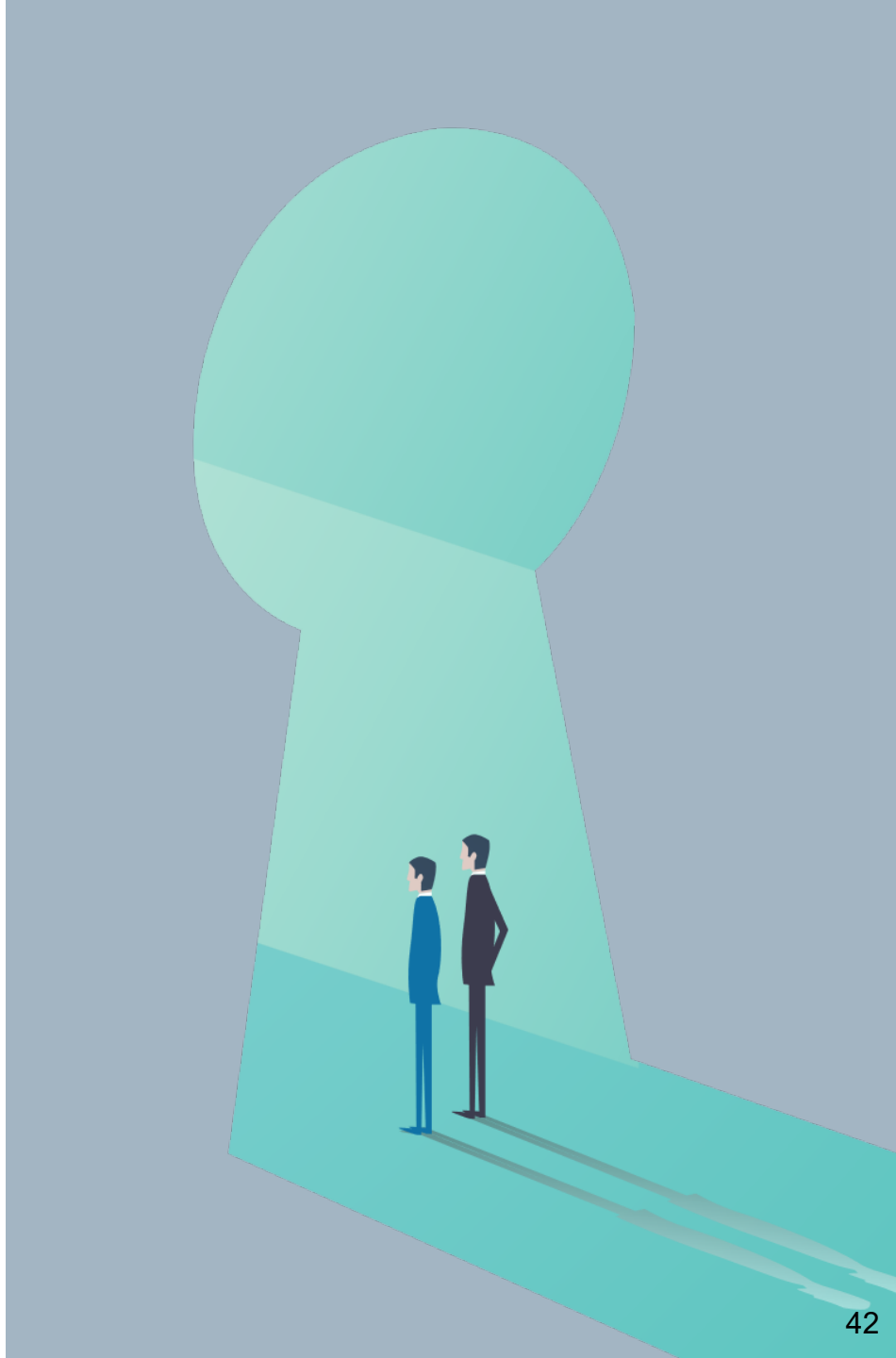
It must be noted though that these enabling factors are necessary but not sufficient conditions. They increase the likelihood of achieving the prioritised scenario but do not guarantee it. Coordinated implementation, incentive alignment, and phased sequencing across the roadmap that follows are required to ensure the transition.

4. Actioning the desired future

4.1 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 key interventions and strategic priorities needed to close the gap between present conditions and the desired future.

A preliminary roadmap is developed to guide implementation, grounded in a shared understanding of stakeholder roles, sequencing of actions, and areas for coordination. This phase sets the direction for proactive and inclusive systems change.



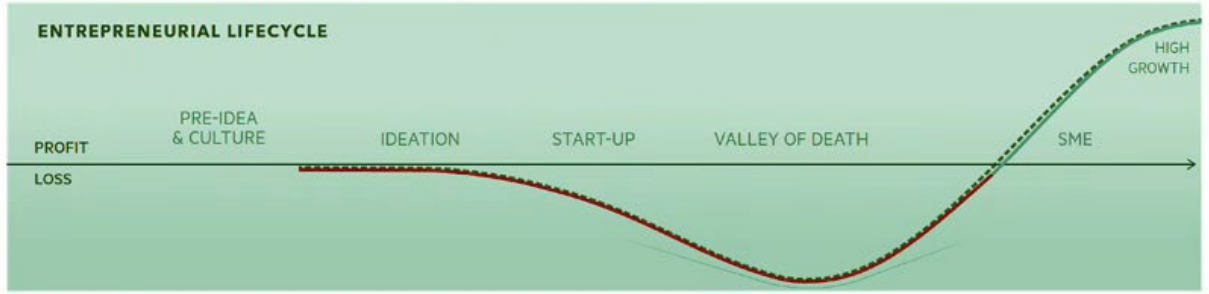
4.1.1 Supporting entrepreneurial lifecycle

From foresight to action with clear jobs to be done

In any innovation ecosystem, every stakeholder within the funding landscape has a distinct role to play. It is the interconnectedness of these roles—investors, regulators, founders, and enablers—that enables capital to flow effectively, trust to build, and innovation to scale. The image on this page depicts the respective roles of stakeholder groups across the different stages of the entrepreneurial lifecycle.

The recommended actions in this section of the report are grounded in foresight insights and reflect the collective ambition to realise the desired long-term vision of 'Trust triangle', in alignment with the core objectives of this study. Accordingly, the recommendations presented in this report – shaped by ecosystem consultations, expert inputs engagement with G20 members – address critical systemic gaps along the entrepreneurial journey.

Looking ahead, they are structured under six foundational pillars that together provide a coherent roadmap for advancing connected, inclusive sustainable economic growth powered by innovation. The first three pillars of Innovation Dynamics, Innovation Capacity, and Innovation of Key Sectors are foundational to building the ecosystem. Meanwhile, the following three pillars of Ecosystem Research, Ecosystem Knowledge Sharing and Ecosystem Partnerships and Governance are critical to lead the ecosystem towards maturity.



ENTREPRENEURIAL PHASE

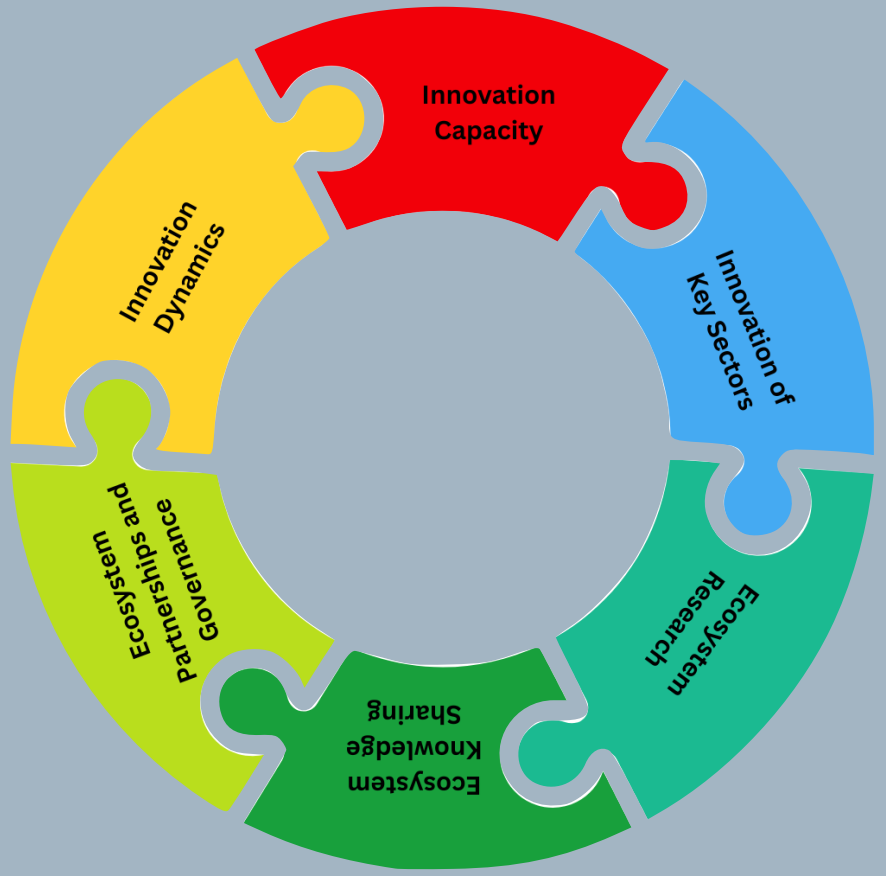
STAKEHOLDERS	PRE-IDEA & CULTURE	IDEATION	START-UP	VALLEY OF DEATH	SME
ENTREPRENEURS	ENTREPRENEURIAL INTEREST	ENGAGE WITH PROBLEMS	DEVELOP BUSINESS MODELS	BUILD COLLABORATION	EXPAND
FINANCE	RESEARCH FUNDING	SEED FUNDING	ANGEL INVESTMENT	VENTURE CAPITAL	BUSINESS FINANCE & LOANS
ENTREPRENEURIAL SUPPORT	ENTREPRENEURIAL EVENTS	HACKATHONS & COMPETITIONS	CO WORKING & SUPPORT	INCUBATORS & ACCELERATORS	BUSINESS ASSOCIATION
CORPPORATE	SUCCESS STORIES	RESEARCH PROGRAMS	LAB PROGRAMS	B2B & SUPPORT SERVICES	SKILL TRAINING PROGRAMS
ACADEMIA	ENTREPRENEUR COMMUNITY	BASIC RESEARCH	SPIN OFFS	SOFT SKILL TRAININGS	HUMAN CAPITAL
GOVERNMENT	VISION & STRATEGY	IP & R&D SUPPORT	TAX SUPPORT	PUBLIC PROCUREMENT	TRADE POLICY

Source of tool: ITU Ecosystem Maturity Map

4.1.1 A roadmap to maturity

Building blocks of innovation-led growth

Looking ahead, the recommendations are structured under six foundational pillars that together provide a coherent roadmap for advancing connected, inclusive sustainable economic growth powered by innovation. The first three pillars of Innovation Dynamics, Innovation Capacity, and Innovation of Key Sectors are foundational to building the ecosystem. Meanwhile, the following three pillars of Ecosystem Research, Ecosystem Knowledge Sharing and Ecosystem Partnerships and Governance are critical to lead the ecosystem towards maturity.



Source of tool: ITU Strategic Priority Matrix

4.1.2 Actions to drive a future-ready African VC ecosystem

Innovation dynamics (ID)	Innovation capacity (IC)	Innovation of key sectors (IKS)
Policies and strategies that shape the flow of venture capital in Africa	Initiative that strengthen the readiness to access, absorb, and deploy venture capital effectively	Actions that channel investments into strategic sectors to scale innovation and boost competitiveness
• ID1: Embed universal broadband as a policy priority to strengthen innovation and maximise VC impact. • ID2: Strengthen national and regional policies to foster entrepreneurial activity and long-term capital formation by reducing regulatory friction—including revising pension and insurance fund mandates—supporting early-stage innovation, and encouraging inclusive investment practices. • ID3: Develop model term-sheets and a Responsible-AI Charter through multistakeholder processes to harmonise investor protections and algorithmic accountability—building trust and policy coherence across markets. • ID4: Introduce sector-specific innovation tax credits with clawbacks tied to impact KPIs—attracting capital to priority sectors. • ID5: Establish a pan-African venture passport system to streamline fund manager licensing and facilitate cross-border investment to reduce regulatory friction for emerging fund managers and international investors.	• IC1: Provide holistic mentorship for startup founders through diverse networks—including universities, diaspora communities, and corporate partners—to strengthen business acumen, governance capabilities, and impact fluency, enabling them to access and deploy capital more effectively. • 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. • 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. • IC4: Allocate earmarked capital for youth, women, and rural founders to broaden participation, enhance equity, and unlock underrepresented talent pools. • IC5: Re-orient DFIs toward fund-of-funds roles with co-financing requirements and faster approvals, crowding in private capital and improving deal flow for local fund managers and early-stage ventures.	• IKS1: Use public first-loss tranches to de-risk investments in strategic sectors—mobilising private capital towards national development priorities and benefiting early-stage startups and blended-finance partnerships. • 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. • IKS3: Apply joint climate-risk and sectoral competitiveness maps to guide investment into adaptation corridors and clean technology—ensuring climate-aligned capital flows. • IKS4: Designate living-lab innovation zones around industrial parks or ports, providing automatic regulatory waivers and on-site infrastructure to accelerating venture scaling. • IKS5: Develop a macro-financial stress lab to model VC performance under currency shocks and interest rate swings to guide risk mitigation for fund managers, DFIs, and regulators.

4.1.2 Actions to drive a future-ready African VC ecosystem

Ecosystem research (ER)

Initiatives that generate insight into funding flows, investment gaps, and ecosystem performance

- ER1: Develop high-transparency dashboards to track VC deployment, inclusion metrics, and fund performance, supporting informed decision-making and greater accountability among capital providers.
- 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.
- ER3: Monitor early-warning indicators—such as exit delays, mandate revisions, and litigation over impact metrics—to anticipate systemic risks and strengthen response strategies for limited partners (LPs), development finance institutions (DFIs), and public market stewards.
- ER4: Institutionalise foresight approach across corporate VCs, DFIs, and ecosystem platforms to identify critical shifts, frontier sectors, and evolving socio-economic challenges—ensuring capital is directed towards the most transformative, inclusive, and future-relevant opportunities.

Ecosystem knowledge sharing (EKS)

Platforms that share investment learnings, models, and data to drive alignment and collaboration

- 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 sharing of best practices and success stories to strengthen alignment, trust, and capital flow across sectors in the region.
- EKS2: Facilitate interactive peer-learning clinics for general partners and boards to build practical expertise, embedding continuous dialogue and experiential learning into the VC ecosystem.
- EKS2: Launch an open-access platform for VCs and ecosystem actors to share term-sheet templates, impact frameworks, and co-investment models—reducing duplication and improving alignment.
- EKS3: Build a gender-and-social lens capital knowledge hub to track inclusivity in funding flows, venture outcomes and impact, thereby embedding inclusion into the learning loop.
- EKS4: Document and disseminate lessons from blended-finance pilots and regional funds to enable faster replication and stronger coordination across ecosystems.

Ecosystem partnership and governance (EPG)

Mechanisms that connect capital, institutions, and networks to support coordinated investment efforts

- EPG1: Build thematic networks linking angels, VCs, and sectoral investors to strengthen collaboration, promote joint advocacy, and support Africa-wide ecosystem coordination.
- EPG2: Mobilise diaspora-led syndicates and fractional “micro-LP” models to widen the capital base and connect global expertise to local ventures in the region.
- EPG3: Develop co-investment and IP commercialisation platforms between governments, corporates, and universities to scale innovation and expand the investable frontier for early-stage ventures and research-driven startups
- EPG4: Convene a Venture-Policy Steering Committee to align public incentives with ecosystem needs, drive partnerships, mobilise resources, ensure accountability, and advocate for pan-African coordination.
- EPG5: Establish a regional fast-track tribunal to resolve cross-border venture disputes within 60 days—enhancing investor protection and sustaining LP confidence.

4.2 Managing the ecosystem

This section outlines structured mechanisms to provide guidance, support implementation, activate inclusive platforms, and enable strategic partnerships and communication pathways, ensuring that the roadmap remains responsive, relevant, and ecosystem-driven over time.

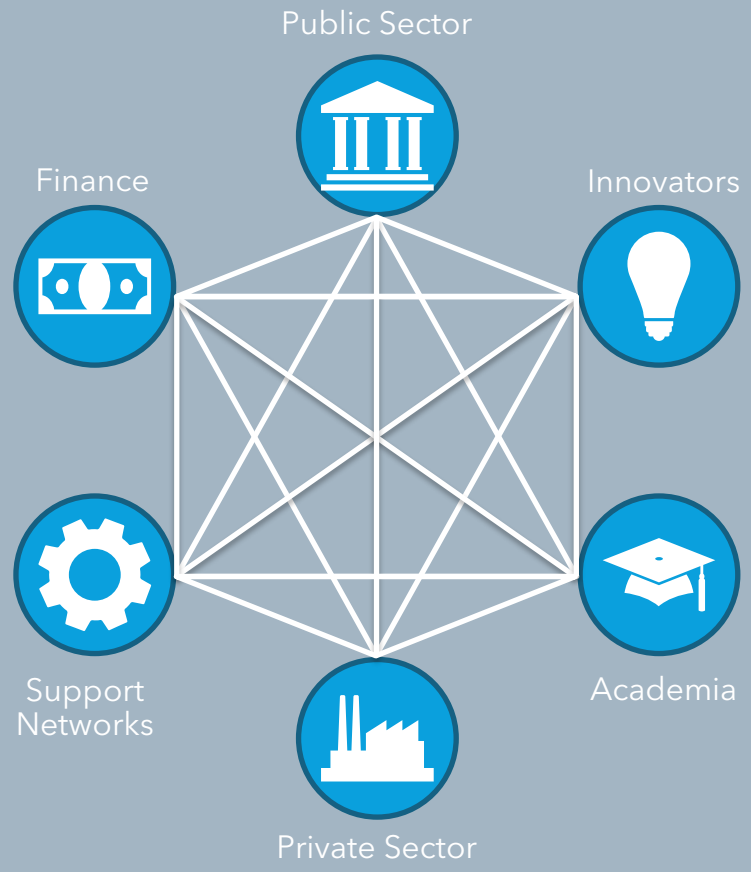
4.2.1 Strength in stakeholder collaboration

Mechanisms to align strengths and build a resilient ecosystem

Translating bold recommendations into lasting results requires more than vision; it calls for a system in which diverse stakeholders not only participate, but actively co-create, implement, and champion transformation.

Managing Africa's venture-capital ecosystem demands more than isolated reforms; it calls for an integrated action roadmap that guides every stakeholder from today's fragmented terrain to the collaborative horizon described in Trust Triangle.

This foundation is essential to advance the collective journey towards a digitally transformed, inclusive, and future-ready landscape for starts ups and SMEs where VC investments fuel sustainable growth, expand opportunity, and build resilience across the continent.



4.2.2 Activating implementation mechanisms

CHAMPIONS FOR SHARED OWNERSHIP

To ground the VC roadmap in local realities and sustain momentum, it is essential to mobilise ecosystem champions who foster leadership, align actors, and enable shared ownership and long-term coordination. These champions should be drawn from across public and private sectors, financial institutions, academia, entrepreneurial support networks, and founder communities. Identifying high-interest, high-influence stakeholders—such as national ministries of telecommunications, innovation regulators, research universities, development banks, and anchor corporates—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-design workshops to surface their priorities, contributions, and institutional capacities.

GOVERNANCE FOR TRUST AND ACCOUNTABILITY

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 coordinated implementation of the VC roadmap. This body—such as 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-design workshop to define its purpose, roles, and composition. This process ensures that the governing body reflects regional needs and priorities, and fosters broad-based ownership and legitimacy.

PARTNERSHIPS FOR CATALYTIC ENGAGEMENT

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, corporates, DFIs, academia, philanthropic actors, and regional bodies. Such partnerships can serve a range of purposes— co-investment, pipeline development, policy co-creation, technical assistance, and knowledge transfer. To build these alliances, ecosystem actors can convene through co-design workshops or structured forums to map gaps, identify mutual needs, and align contributions to eventually establish robust, purpose-led partnership strategies.

COMMUNITY FOR SHARED LEARNING

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 maximise member contribution and benefit. It may bring together founders, fund managers, investors, policymakers, researchers, and ecosystem enablers. Members can contribute by sharing expertise, co-developing solutions and supporting capacity-building. Co-design workshops or ecosystem events should be held to identify community needs and define mutual value. The ultimate 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 venture capital as a tool for inclusive economic transformation. Targeted advocacy that spotlights successful exits, showcases data on inclusion and fund performance, and surfaces ecosystem insights into public and policy discourse can mobilise broader support and attract new capital. A common narrative—centred on VC's potential to drive job creation, technological resilience, and equitable growth—helps sustain political will, legitimise reforms, and deepen ecosystem commitment to the roadmap.

5. Annexes

5.1 Global best practices to inspire the journey

Sea-Turtle and Diaspora Networks (China)

China's "Sea-Turtle" initiatives actively incentivise overseas Chinese professionals 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 MoUs ensure alignment of global expertise with national development needs. The initiative has deepened social capital, supported advanced RandD, and diversified China's innovation landscape. 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)

Beauhurst, Crunchbase and Estonia's e-Residency ecosystem publish funding, valuation and exit data in near real-time and let foreign investors incorporate digitally. These platforms nail Crystal Capital's transparency core and supply the digital rails (C4) for Trust-Triangle passports. When Nigeria's live naira-indexed VC dashboard syncs with Kenya's Konza Pulse Lab, it will effectively localise this Estonian-British 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: public sector procurement targets, ESG disclosure mandates, and sectoral "living labs" that reduce 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 mobilised at scale through well-governed, cross-border innovation architecture.

Business Finland and VTT Model (Finland)

Finland's public innovation funding ecosystem combines capital with deep technical support and mentorship. Business Finland and VTT (Technical Research Centre of Finland) 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. It offers 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 hygiene, strengthens exit readiness, and accelerates founder development. This model aligns with long-term ecosystem goals of capital discipline and strategic value creation, particularly in hard-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)

Finland's Business Finland/VTT pair matched seed dollars with deep mentorship, then sunset the public stake once private depth arrives. The structure hits three levers: smart incentives (C1 Dynamics), founder skills (C2 Capacity) and sector windows for deep-tech (C3 Sectors). Because exits recycle into new vintages, the programmes embody Crystal transparency – every rand or euro is traceable – and foreshadow Trust-Triangle durability through evergreen, rules-based governance (C6).

Thematic Funds and Hokkaido F-Village (Japan)

Japan demonstrates innovation in venture financing through deep-tech thematic funds and place-based innovation zones.

5.1 Global best practices to inspire the journey

National funds ring-fence capital for sectors such as bio-manufacturing and clean-tech, guided by pipeline mapping and research partnerships. Meanwhile, Hokkaido F-Village repurposes 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 revitalise peripheral regions and support venture ecosystems beyond capital cities.

Silicon Savannah Tax-Holiday Bet (Kenya)

Kenya has sought to attract venture capital through a ten-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 start-ups continue to secure strong inflows, supported by world-leading shareholder protections and the ubiquity of M-Pesa, which lowers distribution costs and broadens market access. Alongside these strengths, the Konza Technopolis smart city project signals long-term ambitions. The Kenyan case highlights that while fiscal incentives and flagship projects can raise visibility, durable investor confidence depends on regulatory clarity and robust digital infrastructure.

VC Incentives Act and Regulatory Reform (Nigeria)

Nigeria's Venture Capital (Incentives) Act provides tax credits, dividend exemptions, and capital gains relief to early-stage investors. Complementary legal reforms—like the Companies and Allied Matters Act (CAMA) and the Code of Corporate Governance—have strengthened investor protection 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 reform 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 sprints. This embeds governance hygiene (C6) and builds founder aptitude (C2), exactly the behaviour Crystal visibility makes measurable and Trust Triangle seeks to institutionalise. When South-African warehouse fellows join boards with diaspora mentors, they will be repeating this Nordic playbook.

Connect Rwanda Diaspora Programme (Rwanda)

Connect Rwanda matches diaspora funding with local venture capital to unlock cross-border finance and expertise. The programme encourages formal diaspora-LP agreements, 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+ Regulatory One-Stop Portal (Singapore)

Singapore's BizFile+ portal streamlines business registration, tax ID issuance, and sandbox licensing into a single digital interface. Entrepreneurs can register and launch companies in minutes, not months. Open APIs and cross-agency governance ensure inter-operability and transparency, significantly reducing bureaucratic friction. The portal enhances ease of doing business, accelerates venture formation, and supports smart policymaking through real-time data. Singapore's model demonstrates how technology-enabled regulation can serve as a powerful enabler of national startup ecosystems.

Regulatory One-Stops (Singapore and United Arab Emirates)

Singapore's BizFile+ and the UAE's Bashr portals collapse company formation, tax IDs and sandbox licences into a single online form – minutes, not months. That leap in policy tempo (C1) is under-pinned by open APIs (C4) and cross-agency steering committees (C6), giving entrepreneurs Crystal-grade clarity from day one.

5.1 Global best practices to inspire the journey

A pan-African VC Passport that copies Bashr's "start right away" ethos would turbo-charge the Trust Triangle's vision of friction-free capital mobility.

Innovation Fund and Section 12J (South Africa)

South Africa's Innovation Fund (IF), launched in 2022, operates as a public fund-of-funds with sector-agnostic windows for seed, growth, and technology development. Its warehouse facility supports emerging GPs in building early track records, while transparent scorecards on inclusion and impact drive performance. 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 crowd-in domestic investors, democratise fund management, and scale innovation finance across diverse sectors.

KOSGEB Green Industry Incentives (Türkiye)

Türkiye's KOSGEB agency 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 green innovation push illustrates how emerging economies can embed sustainability into enterprise policy and mobilise capital for climate-aligned growth.

Sustainability and Green-Innovation Support (United Arab Emirates and European Union)

The EU Green Deal, Türkiye's KOSGEB Green Industry and the UAE's Masdar City couple grants, tax credits and living-lab zones for net-zero ventures. Sector incentives (C3) hinge on open ESG dashboards (C4) and multi-stakeholder oversight (C6). Africa's proposed five-year, claw-back-guarded green credits borrow directly from these blueprints, blending Crystal clarity with Trust-grade accountability.

Angel CoFund and Digital Data Platforms (United Kingdom)

The UK's Angel CoFund and Catalyst Fund model transparent co-investment alongside private angels 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 UK one of the world's most transparent venture ecosystems. They offer actionable lessons for building collaborative funding models and data infrastructure.

Digital Co-Investment Syndication (United States and United Kingdom)

Silicon Valley's "party-round" culture and the UK's Angel CoFund/British Business Bank Catalyst Fund show how transparent syndication can multiply early cheques while diluting risk. Open cap-table platforms let funds share diligence in real time (C4 Research) and post-deal playbooks on public portals (C5 Knowledge Sharing). The model answers Crystal Capital's call for live deal data and points toward the Trust Triangle's collaborative risk-pooling: a Lagos or Accra passport that mirrors California's SAFE norms could unlock the same velocity across West Africa.

Strategic Exit Pathways (USA, UK and China)

NASDAQ's depth, London's AIM and Shanghai's STAR Market provide laddered exits for everything from SaaS to hard science. Predictable liquidity feeds back into sector funds (C3) and trains managers in exit planning (C2). Publishing exit multiples on open dashboards supports Crystal transparency, while cross-listing agreements – AfCFTA's future AIM-style board? – would cement the cross-border trust envisioned in the Triangle.

5.2 Glossary of terms

TERMS	DEFINITIONS
Counter-Cyclical Facility	A pooled investment mechanism designed to provide capital during downturns or external shocks, stabilising venture ecosystems and crowding in private capital.
Critical issues gap	Critical Issues Analysis is a cross-disciplinary scan that ranks the issues most likely to shape sustainable innovation. Mixing creative workshops, expert panels, evidence reviews stakeholder dialogue, it scores each driver by its impact and uncertainty across a STEEPLE lens.
Desired or preferred scenario	The most desirable future outcome based on stakeholder values, aspirations, and strategic priorities.
Drivers	Key forces or underlying factors that influence or shape change within a system. Drivers may be internal or external and can include economic, technological, political, environmental, or social dynamics. 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	General Partners (GPs) are the fund managers in a venture capital 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 limited partner (often individuals, rural investors, or community groups) enabled to commit modest amounts of capital, typically via digital or fractional ownership models.
Scenario	A narrative or model that describes a plausible future state based on the interaction of drivers and uncertainties.

TERMS	DEFINITIONS
Signals	Early indicators or weak signs of change that may point to emerging trends, disruptions, or innovations in their early stages.
Small and Medium-sized Enterprises (SME)	A business with limited staff and revenue, contributing significantly to employment and local economic growth.
Stakeholder engagement	A participatory process of involving key actors in shaping decisions, aligning efforts, and ensuring shared ownership of outcomes.
Startup	A young business venture focused on innovation and scalable growth, frequently leveraging technology to disrupt existing markets or create new ones.
Transformation pathways	Strategic routes or sequences of actions taken to move from current conditions toward a preferred future scenario.
Trends	Patterns of change that have already gained momentum and may continue to shape the future over time.
Venture capital	Venture capitalists (VCs) are 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 recognised or understood. Weak signals may indicate the emergence of new trends, disruptions, or innovations and are often detected on the margins of mainstream awareness.
Wildcards	Low-probability but high-impact events or developments that could significantly disrupt current trajectories.

5.3 Abbreviations

TERMS	DEFINITIONS
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AI	Artificial Intelligence
AIM	Alternative Investment Market (London Stock Exchange)
AR	Action Roadmapping
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 (venture-capital fund manager)
ICT	Information and Communications 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

TERMS	DEFINITIONS
KPI	Key Performance Indicator
LP	Limited Partner (venture-capital investor)
M&A	Mergers and Acquisitions
M-Pesa	Mobile Money service by Safaricom (Kenya)
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
SME	Small and Medium-sized Enterprise
TEEPSES	Technological, Economic, Environmental, Political, Social, Ethical and Spatial
VC	Venture Capital
WEKH	Women Entrepreneurship Knowledge Hub
WES	Women Entrepreneurship Strategy

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