# GROWING DOMESTIC INVESTMENT FOR INNOVATION

## RECOMMENDATIONS FOR ECOSYSTEM ACTORS

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| **POORLY DEVELOPED INNOVATION INVESTMENT MARKET** | • Promote the value of an innovation / entrepreneurial culture  
• Provide training on negotiating intellectual property rules and regulations  
• More applied R&D in partnership with businesses  
• More demand-driven vocational education courses focusing on transferable skills and technology diffusion | • Continue to improve the support provided to early entrepreneurs (many of whom are also very young) around recognizing and attracting diverse sources of investment | • Provide catalytic grants to innovators to help improve their business models / product R&D (in a similar way to the ‘Spark’ grants that many governments provide)  
• Create more transparent platforms for innovators to contribute to supply chain development | • Improve incentives (e.g. tax breaks) to stimulate more investment from local actors  
• Support appropriate regulation and contract enforcement to reduce investment risks  
• Develop a national financing framework that prioritises domestic resource mobilization | • Increase risk tolerance in financial support and develop more finance instruments tailored to filling gaps in early stage support |
| **FEW EQUITY FUNDS OR IMPACT INVESTORS LED BY LOCALS** | • Encourage research and case studies promoting the value of domestic investment in innovative products and services | • Help connect entrepreneurs with local philanthropists and diaspora communities overseas who have an interest in supporting new products and services | • Encourage and participate in multi-sector investment platforms (e.g. Africa50) with clear policies and guidelines that combine public capital with private investment | • Closer alignment between state investment banks and government policy, including central bank and other regulatory bodies, to create greater synergy between policy, regulation and financing  
• Support more investment from sovereign wealth funds, pension funds, foreign reserves and remittances, among others. | • Promote and support the growth of impact investing structures run and owned by local actors, e.g. through first loss guarantees that help attract others into investing |