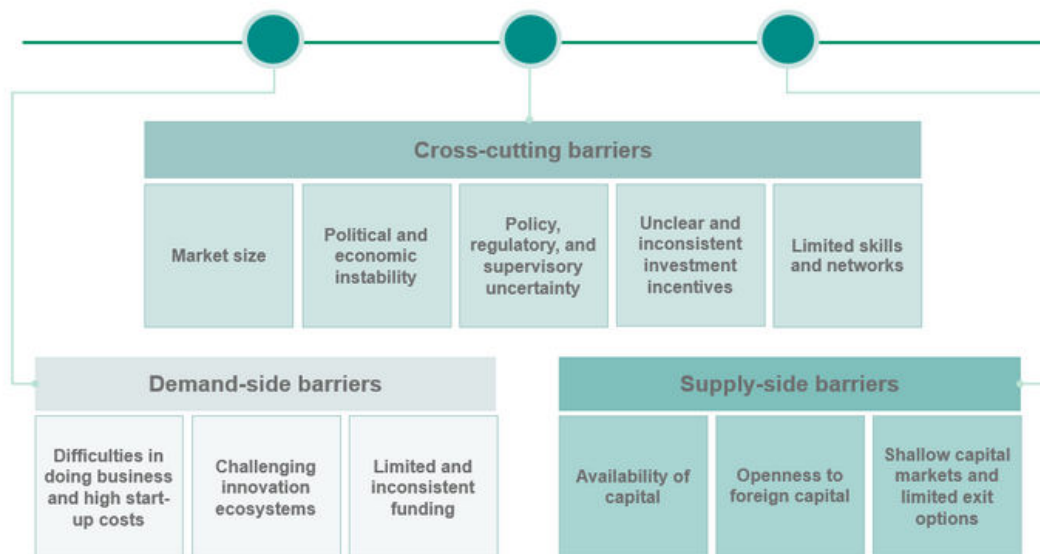


Unlocking capital for Africa's growth enterprises

The Innovative Capital Mobilisation in Africa (ICAMA) initiative, launched by GIZ, aims to unlock capital to support Africa's startups and growth enterprises. These enterprises often struggle to access the capital required to drive innovation, create jobs, and contribute to broader prosperity across the continent. Venture Capital (VC) plays a critical role in financing high-risk, early-stage firms, yet a range of barriers continues to constrain its potential. To address these challenges, ICAMA has partnered with Cenfri to identify key market barriers and the regulatory and policy enablers needed to expand VC investment and growth in Africa.

Barriers

The figure below summarises the primary demand side (growth enterprises), supply side (investors) and cross cutting (demand and supply side) barriers currently constraining VC investment in Africa:



Opportunities

In light of these barriers and the regulatory and policy enablers discussed on the next page, three main opportunities emerge to address these barriers:

1. Growing VC capital pools (foreign and local)
2. Deepening local skills and networks
3. Implementing regulatory enablers to strengthen VC markets

A snapshot: VC in Africa



\$1.3tn
funding gap¹



\$3.6bn
in VC capital in 2024²



487
VC deals in 2024²

55% of deals
are concentrated in the big 4 in 2024²



614
investors, of which 31% were from Africa in 2024²

1. <https://www.uneca.org/stories/aid-won%E2%80%99t-close-africa%E2%80%99s-%241.3-trillion-sdg-gap>

2. chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.avca.africa/media/pk1lhhzc/avca_2024_venture_capital_in_africa_report_rel-31-march.pdf

Regulatory enablers



Cross cutting

Policy, regulatory and supervisory certainty

Clear, stable laws and predictable supervision so investors and firms know the rules up front.

Clear and consistent tax law and supervision

Transparent tax rules and targeted incentives that protect returns and encourage formal investment.

Good governance & stability

Strong institutions, anti-corruption and macro stability that cut political and policy risk.

Build skills and expand networks to grow businesses

National strategies, tiered licensing and regulatory experimentation that enables talent, support and scale.



Demand side

Proportionality

Risk-based regulation letting smaller firms enter and scale with lower compliance cost.

IP regulation & frameworks

Legal and institutional IP protections that secure innovators' value and investor confidence.

Regional harmonisation

Aligned cross-border rules (passporting, mutual recognition) to enlarge markets and cut compliance costs.



Supply side

Incentives for local savings

Fiscal and regulatory measures that grow domestic long-term savings for investment.

Institutional asset allocation

Rules and governance that enable pensions/insurers to allocate responsibly to private equity and pooled vehicles.

Openness to foreign investment

Effective foreign exchange, ownership and tax regimes that attract cross-border capital, expertise and co-investment.

Licensing frameworks

Transparent fund/manager licensing and structures that simplify setup, marketing and cross-border fundraising.

Regulations to deepen exit options

Listing, trading, data and cost reforms that expand mergers & acquisitions and public exit pathways for investors and founders.

Minority shareholder protection

Legal safeguards (buy-outs, approval rights) that protect minority investors and create predictable exit options.

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