

# Science, Technology and Innovation Policy Research Organization - STIPRO

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## OUR POLICY BRIEFS

STIPRO STI Policy Briefs aims to be an informative resource for policy - makers and others participating in policy debates in Tanzania. The objective is to shed light on crucial problem areas through information and analysis.

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## SESSION 6: Connecting STI TO FINANCE

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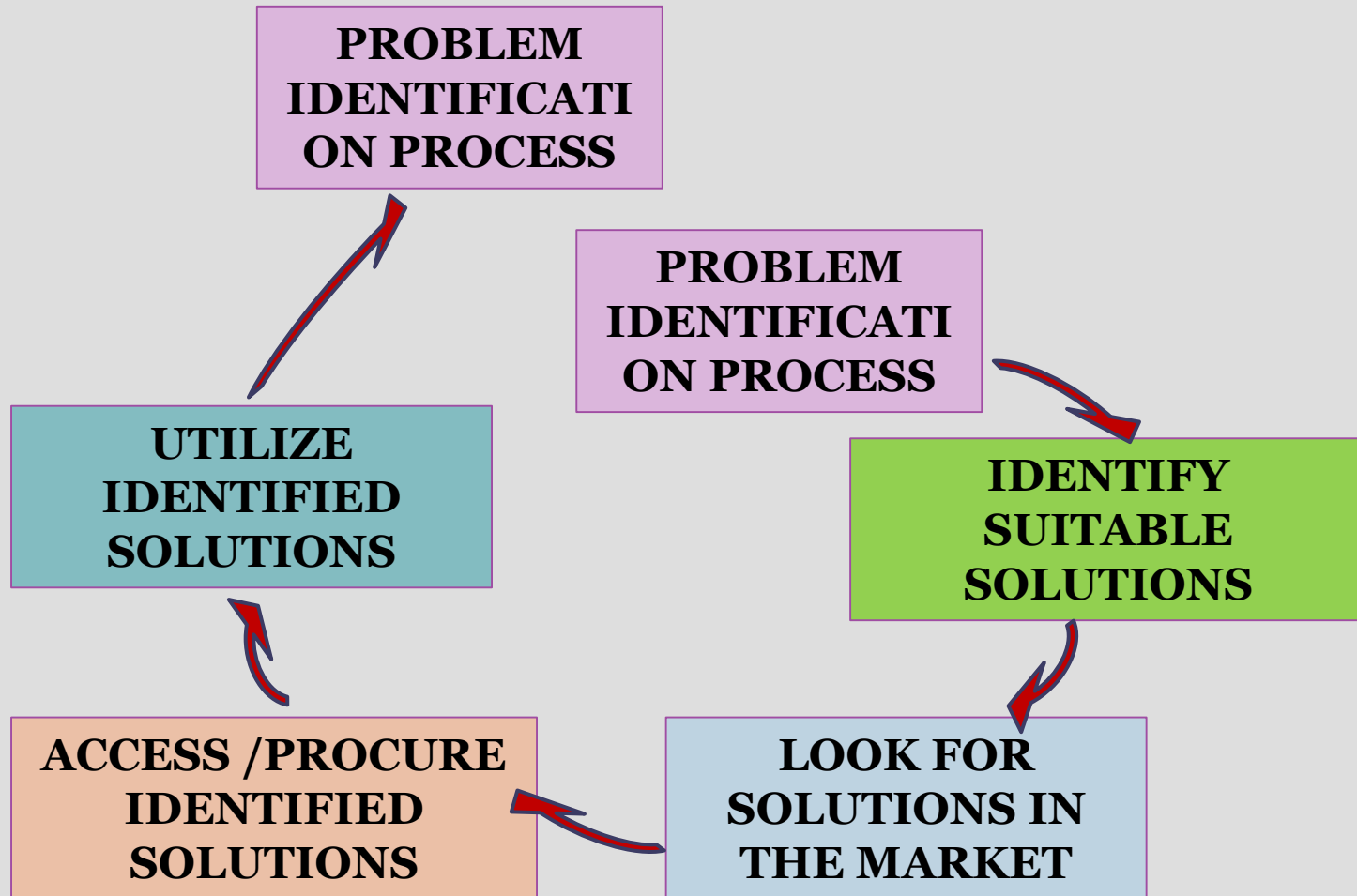
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# 1. Point of departure

- ▶ Meeting SDGs is a shared ambition which requires **external influence** to make it happen- *‘Else it will NOT happen organically...’* (I.e. someone has to initiate and convince)
- ▶ The external influence involves **making all that is required to work** – *‘come rain or shine, including building capacities where there is none.* (I.e. Someone has to continuously make things work else they die naturally)
- ▶ In LDCs meeting SDGs requires a *critical mass changing at the same time* (I.e. creating a sufficient throughput/demand) - PENETRATION

- ▶ Sometimes the **minimal conditions are missing**, and if not built, nothing happens. It thus becomes a public good.
- ▶ Often mental shifts and creation of new trajectories are needed before technologies can be transferred. Hence **facilitation process maybe intensive and longer**;
- ▶ What is needed is thus **building inherent capacities** within local systems to demand for new knowledge by continuously identifying needs, seeking and utilizing solutions.

# Building inherent system capacity



## 2. What to finance

- ▶ **Soft-ware:** technical skills, awareness, mental shifts, information, regulations, standards, procedures, research, ec.
- ▶ **Hard-ware:** materials, technology, infrastructure, business, trade, tc.
- ▶ **Org-ware:** linkages, institutions, networks, partnerships..
- ▶ **Support institution:** Incubators, facilitators; researchers;

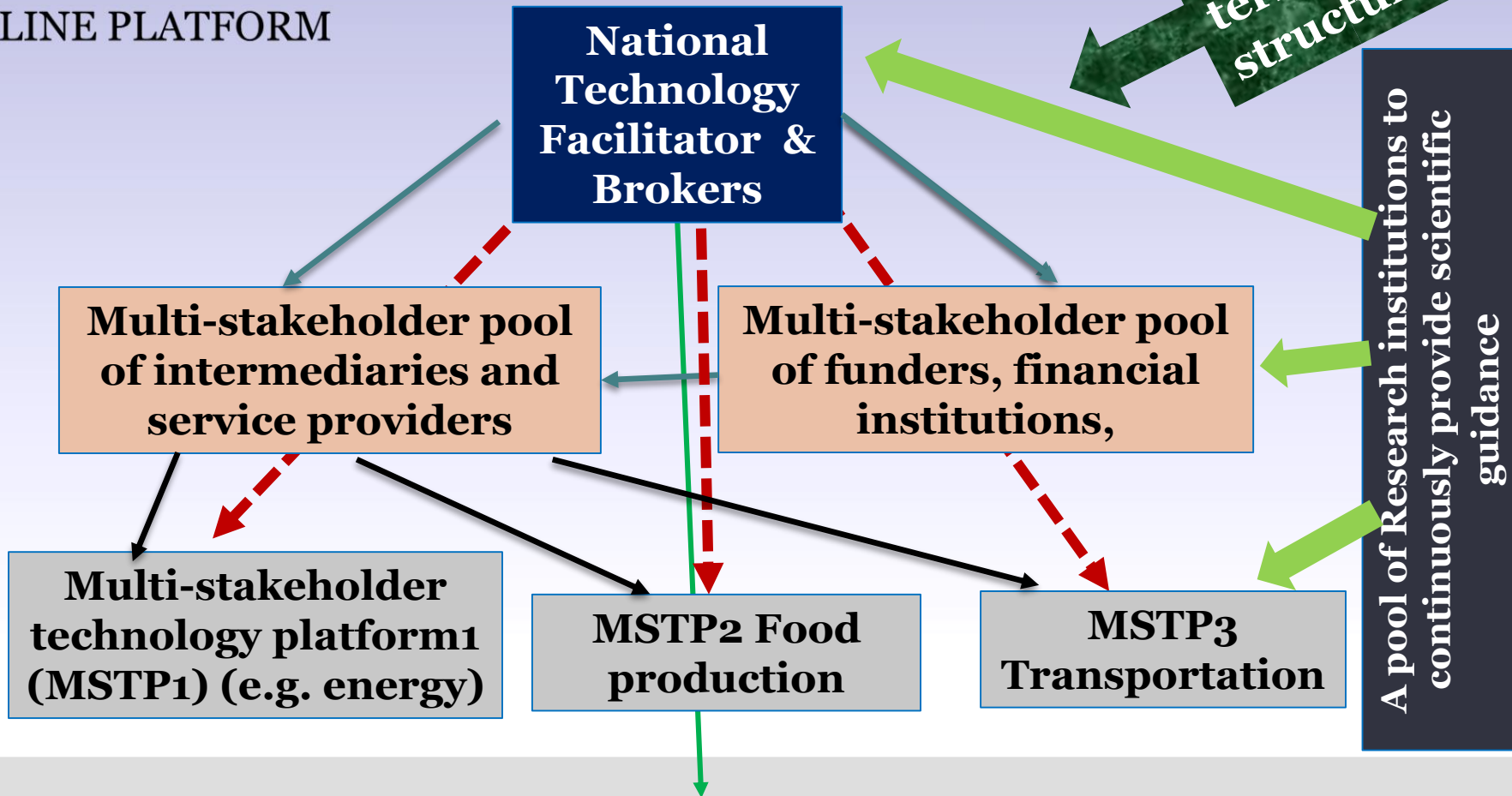
SUPPORT	SPECIFICS	POSSIBLE TYPES OF FUNDING
<b>Soft-ware</b>	Capacity building Awareness rising	<ul style="list-style-type: none"> <li>• Grants through philanthropies</li> <li>• Pre-paid services;</li> <li>• Technical Assistance</li> <li>• Incubators</li> <li>• Direct financing</li> <li>• Fundraised through CSR;</li> <li>• Mandatory contributions</li> <li>• Business-Research Linkages</li> <li>• Seed funding;</li> <li>• Bank guarantees;</li> <li>• Matching grants;</li> <li>• Lease finance</li> <li>• Export credits;</li> <li>• Equity;</li> <li>• B2B</li> </ul>
	Pre-investment (Appraisals, EIA, market studies, business plans,	
	Research, Policies	
<b>Org-ware</b>	Building institutions, networks' Partnerships,	
<b>Hard-ware</b>	Investment in materials, technology etc.	

## Q1. What are the most effective entry points for financing the scale-up and deployment of technologies for SDGs

1. Establish **national technology promoters and brokers** to act as champions and facilitators;
2. Create national **multi-stakeholder platforms /hubs /clusters** of interested technology users /investors; businesses, ideas, talents, etc. around priority sectors
3. Mobilize national **pools of funders** ; who have interest, mechanisms and potential to fund /finance businesses and initiatives to achieve the agreed national innovation challenge (ambition);
4. Mobilize national **pools of intermediaries (or service providers)**; who have the ability and the potential to be subcontracted to provide services (e.g. capacity building, information dissemination etc.) to support businesses and investors;
5. **Then finance the four actors using different or a combination of means depending on situations and capacities. (I.e. after a need assessment).**

# Agreed National Innovation Challenge (Ambition)

ONLINE PLATFORM



**A pool of Civil Society Organizations (CSOs)  
To monitor progress, lobby and put pressure towards a plan**



## Q2. What are the necessary pre-conditions and complementary measures that will result in the most effective and efficient use of financing instruments

### **Must be:**

- ✓ Well-targeted
- ✓ Provided through trusted local institutions
- ✓ Less bureaucratic with simple and user friendly tools
- ✓ The approval process must be simple, relevant, multi-stage and with in-built capacity building
- ✓ Proven to work in a particular context – should not require too much time to be understood or trusted
- ✓ With appropriate time frame; i.e. some ideas need long term funding
- ✓ Flexible enough to facilitate appropriate response to context
- ✓ Comprehensive enough to provide a wide range of associated services if needed
- ✓ Able to ensure balance between gender, local vs foreign beneficiaries; etc.
- ✓ **Must be ready to take sufficient risk!**

Q3. How can the TFM's online platform facilitate the connection between STI solutions and the financing mechanisms required for their scaling up?

1. Use local champions/brokers to link stimulate and guide processes and build local trust
2. Integrate a pre-accredited pool of local funders /financial institutions into the platform
3. Create an offline support scheme using local service providers /intermediaries –as an arm of the platformn
4. Create offline processes to fish talents (ideas) and stimulate local funding e.g. dragon's den TV show,
5. Create incentives for local funders and risk managers to create and sell packages in the platform
6. Funding should be available before joining the platform and when interacting in the platform and

## 4. Major Lessons

- ▶ **Funding is not the only problem why technology is not transferred.**
- ▶ **Access to finance is not a panacea for innovation or growth**
- ▶ **Funding needs packaging**
- ▶ **Research is very important both as a service and actor in the IS**

# Thank you

