



MEDIA STORY

24 April 2025

TIA committed to sustainable funding of innovation in South Africa.

The Technology Innovation Agency (TIA) an entity of the Department of Science, Technology, and Innovation (DSTI) launched an Industry Matching Fund (IMF) in 2019, as a fund-of-funds model to leverage innovation funding from industry and private sector. Since the launch of the IMF, the fund has attracted partnerships from Venture Capital, Angel Investors, Development Finance Institutions, and Corporates.

One of the recently launched instruments to bolster the IMF is the Innovation Fund meant to further enhance TIA's commitment to the long-term sustainable funding of innovation across South Africa. The Innovation Fund, recognised by the President during the State of the Nation Address (SONA) in February, has enabled, amongst the direct investments since 2021, of a TIA commercialisable portfolio, a R300m High Impact Seed Fund of Funds launched at the end of 2024 in partnership with the SA SME Fund and E Squared Investments.

TIA has further successfully launched two systematic calls under the Innovation Fund, designed to provide critical funding support to emerging and high-impact innovators. The first call, the High-Impact Seed Fund of Funds seeks 51% black Venture Capital Fund Managers, including a focus on Women Fund Manager. This initiative attracted 34 respondents, reflecting the growing demand for early-stage investment in groundbreaking ventures. This fund will provide early-stage capital to startups, focusing on technology-driven businesses and aiming to support at least five Fund Managers, and allocations are expected to be announced soon.

In February 2025 TIA issued a second call, the Innovation Fund: First-Time and Emerging Fund Managers, inviting funding applications from new and emerging black or women-owned fund managers. The call was aimed at emerging Fund Managers interested in participating in a programme to provide necessary support towards achieving the goal of establishing a first-time VC Fund. TIA was encouraged by the positive market response to the call. The agency received high quality applications from more than 90 respondents and looks forward to making announcements on the next steps.

"What we require is a diversified network of private sector and industry partners to invest in innovation, that can also widen investment opportunities for TIA to tap into. As a key funding agency of innovation, our success will be demonstrated in being sustainable and thus creating a more enabling environment for investment and innovation. The responses we have had from our recent calls bring TIA closer to fulfilling an aggregator role of innovation funding," says Tandokazi Nquma-Moyo, General Manager Strategic Partnerships and Stakeholder Relations.

The positive market response to the recent calls by TIA demonstrates that South Africa has a wealth of black and female fund managers ready to invest in the country's potential. It further shows that there is real support for the innovators across our nation, and real support for Fund Managers who bring a more diverse and representative profile to the table.

TIA remains positioned and committed to supporting and ensuring the exploitation of technological innovation through financial and non-financial means, in partnership with the private sector, institutional investors, and the global market. With continued investment in innovation, the potential for economic and technological growth and real transformation is limitless.

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About the Technology Innovation Agency (TIA)

- The TIA is a national public entity that serves as the key institutional intervention to bridge the innovation chasm between research and development from higher education institutions, science councils, public entities, the private sector, and commercialisation.
- Read more at <https://www.tia.org.za>

Issued by Alkemi Collective on behalf of the Technology Innovation Agency.

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