MAPPING INNOVATION & GROWTH

TANZANIA STARTUP ECOSYSTEM STATUS REPORT 2024

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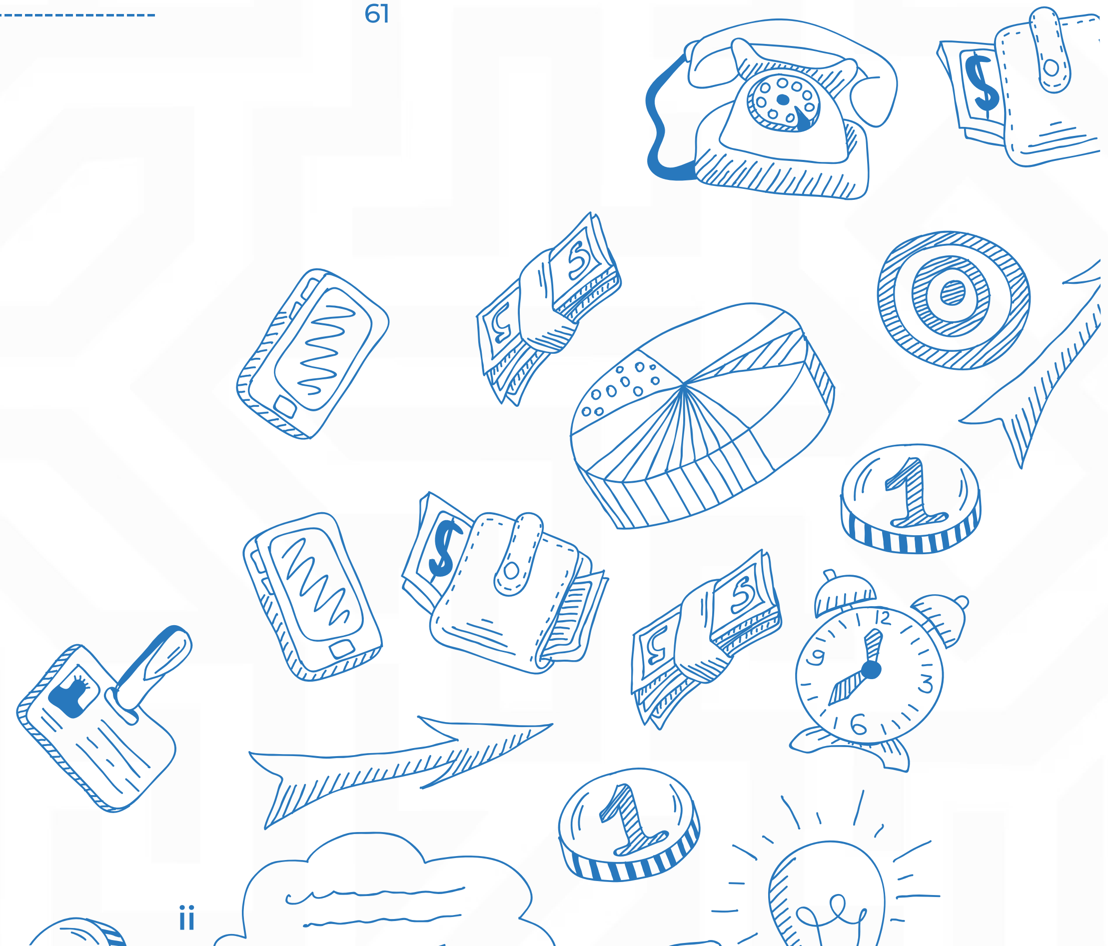

Foreword From TSA Board Chairman

Greetings, esteemed stakeholders,

It is a great honour to present the Tanzania Startup Ecosystem Status Report 2024, developed in collaboration with key ecosystem actors. This report reflects our continued commitment to supporting Tanzania's entrepreneurial journey.

The report highlights the impressive growth of our startup ecosystem, the emerging trends shaping it, and its potential for future impact. Startups remain at the forefront of innovation, job creation, and socio-economic transformation.

Notably, in 2024, the number of mapped startups grew by 24% reaching 1,041, and startups created over 138,453 jobs, a 23% increase from the previous year. These figures demonstrate the vibrancy and growing self-employment culture among Tanzanian youth.

This report is more than a data source; it's a tool for informed decision-making, advocacy, and policy formulation. I sincerely thank all contributors and encourage stakeholders to use this report to fuel innovation and strengthen our startup ecosystem.

Let's continue working together to build a thriving and inclusive entrepreneurial future for Tanzania.

I extend my sincere commendation to all who contributed their dedicated efforts in bringing this report to fruition. I urge all stakeholders to harness the wealth of information embedded in this report, transforming it into a catalyst for innovation, new opportunities, and sustained contributions to the thriving Tanzanian economy.

To everyone who played a part in the success of this report, I express my deepest gratitude. Let us collectively forge ahead and continue in our commitment to cultivating a vibrant and prosperous startup ecosystem in Tanzania.

Sincerely,

Mr. Paul Makanza [linkedIn]
Chairman of the Board of Directors,
Tanzania Startup Association (TSA),
Dar es Salaam, Tanzania

Aknowledgement From TSA CEO

This report is a collaborative effort between the TSA and key stakeholders, including the Ministry of Information, Communication, and Information Technology (MICIT), the President's Office of Planning and Investment (POPI), the Ministry of Industry and Trade, the Tanzania Commission for Science and Technology (COSTECH), the Economic and Social Research Foundation (ESRF), the Tanzania Innovation Hubs Network (THN) Meltores Professional, and the Nelson Mandela Institute of Science and Technology (NMIST). Completing this study would not have been possible without the support and contributions of many individuals and organisations, including volunteers, startups, incubators, accelerators, hubs, labs, maker spaces, living labs, academia/learning institutions, ministries, policymakers, regulators, think tanks, development partners, financial institutions, and private sector organisations in terms of data and information.

The report was prepared by Mr Innocent Matthias Lweganwa, the Policy and Research Lead from the TSA along with a team of 26 highly qualified research volunteers; Mr Praygod Japhet, Senior Manager for Programmes and Operations from TSA;

Dr. Chrispin Ryakitimbo from the National Planning Commission, Eng. Sadath Kalolo, Director of Professional Services at the ICT Commission (ICTC), Ms. Faith Matoli from the Ministry of Communication, Ms. Anna Lyimo from the Tanzania Investment Centre (TIC), Mr. Festo Maro and Ms. Furaha Kabuje from the Commission for Science and Technology (COSTECH), and Mr. David Muhunzi, Project Officer at TSA, who offered incredible assistance during the report writing process. We also extend our sincere gratitude to the team at the Economic and Social Research Foundation (ESRF), including the Executive Director, John Kajiba, James Kasindi, Margareth Nzuki, and F. Makene, whose insights and partnership were invaluable. Furthermore, we recognize the contributions of Jumanne Mtambalike of Sahara Ventures, Joyce Msigwa of Meltores Professionals, and Kiko Kiwanga of the Tanzania Innovation Hubs Network (THN) for their continued collaboration and efforts in advancing the innovation and startup ecosystem.

Finally, I would like to acknowledge and appreciate the support of our long-term partners, Fondation Botnar, the Segal Family Foundation, and the Embassy of Switzerland in Tanzania for their support of the Tanzania Startup Association (TSA). We hope that the findings of this report will be helpful to all those working to support and promote the growth of the startup ecosystem in Tanzania. We look forward to continuing our efforts to advance this critical development area.

Zahoro Muhaji, [linkedIn]
Chief Executive Officer,
Tanzania Startup Association (TSA), March 2024.

Acronyms

ANDE	Aspen Network of Development Entrepreneurs
ATC	Arusha Technical College
BDS	Business Development Services
BRELA	Business Registration and Licencing Regulatory Authority
CMSA	Capital Market Securities Authority
COSOTA	Tanzania Copyright Office
COSTECH	Commission of Science and Technology
DSE	Dar es Salaam Stock Exchange
DTBI	Dar es Salaam Teknohama Business Incubator
EISOs	Entrepreneurship and Innovation Support Organisations
GDP	GrossDomestic Product
IAA	Institute of Accountancy Arusha
ICT	InformationCommunication Technology
ICTC	InformationCommunication Technology Commission
ITU	International Telecommunications Union
MAKISATU	Mashindano ya Kitaifa ya Sayansi, Teknolojia na Ubunifu 2022.
MEST	Ministry of Education, Science and Technology
MICIT	Ministry of Information, Communication and Information Technology
MUHAS	Muhimbili University of Health and Allied Sciences
NEEC	National Economic Empowerment Council
NICTBB	National ICT Broadband Backbone
POPI	President's Office of Planning and Investment
PPA	Public Procurement Act
PPRA	Public Procurement Regulatory Authority
TANTRAD	Tanzania Trade Development Authority
TCRA	Tanzania Communications Regulatory Authority
TIC	Tanzania Investment Center
TNBC	Tanzania National Business Council
TPSF	Tanzania Private Sector Foundation
TRA	Tanzania Revenue Authority
TSA	Tanzania Startup Association
UDSM	University of Dar es Salaam
VAT	Value Added Tax
TTC	Tanzania Telecommunications Corporation

Definition of terms

Startup: An early-stage innovative enterprise designed to create scalable and sustainable business models, typically leveraging technology or new business approaches.

EISOs (Entrepreneurship and Innovation Support Organizations): Organizations such as incubators, accelerators, co-working spaces, mentorship networks, and business hubs dedicated to supporting the development, growth, and sustainability of startups.

Capital Providers: Entities that provide financial resources to startups, including venture capitalists, angel investors, private equity firms, banks, microfinance institutions, and grant-making organizations.

Development Partners: International organizations, bilateral agencies, NGOs, and foundations that support economic development and innovation through technical assistance, capacity-building, funding, and policy advocacy.

Ministerial Departments (MDAs): Government ministries, departments, and agencies responsible for policymaking, regulation, and oversight within specific sectors relevant to startup growth and innovation.

Startup Policy: A comprehensive national framework designed to support startups by addressing regulatory barriers, providing incentives, facilitating access to finance, and fostering a conducive business environment.

Startup Diagnostic Toolkit: A structured assessment tool used to evaluate startups' growth stages, identify strengths and weaknesses, and recommend targeted support measures to enhance their performance and sustainability.

Startup Ecosystem: A network of interconnected actors and infrastructure—including startups, investors, EISOs, government bodies, academia, development partners, and service providers—that collectively foster entrepreneurial activity, innovation, and economic growth.

Growth Stage: A developmental phase in a startup's lifecycle characterized by validated market demand, increasing revenues, market expansion, and scaling operations.

Early Stage: The initial phase of a startup's lifecycle focused on product development, market validation, securing initial funding, and achieving initial customer adoption.

Product-Market Fit (PMF): A business milestone achieved when a startup's product or service successfully meets market needs, resulting in sustainable customer growth and retention.

Exit: A milestone in a startup's lifecycle where founders and early investors realize financial returns on their investment, typically through mergers and acquisitions (M&A), initial public offerings (IPO), or other liquidity events.

About Tanzania Startup Ecosystem status report 2024

The Tanzania Startup Ecosystem Status Report 2024 is the definitive annual resource for understanding the growth, challenges, and opportunities within Tanzania's vibrant startup ecosystem. This report provides a comprehensive analysis of the ecosystem's performance, offering actionable insights for policymakers, investors, entrepreneurs, and other stakeholders. By tracking key metrics such as funding trends, job creation, sectoral growth, and policy developments, the report serves as a critical tool for driving informed decision-making and fostering sustainable economic growth.

Study Coverage

The report covers all regions of Tanzania, with a focus on emerging startup hubs beyond Dar es Salaam, including Arusha, Mwanza, Mbeya, and Zanzibar. It highlights regional disparities, opportunities, and success stories, providing a holistic view of the ecosystem's geographical distribution and growth potential. Designed for a wide range of stakeholders including policymakers, investors, entrepreneurs, development partners, academic institutions, and support organizations, the report aims to strengthen collaboration and resource allocation across the ecosystem.

Methodologies

Built on stratified methodology, the report combines both quantitative and qualitative data collected through surveys, interviews, focus group discussions (FGDs), stakeholder consultations, and secondary data from policy documents, government statistics, and institutional reports. The stratified random sampling framework ensured inclusion of diverse ecosystem actors, including startups, innovation hubs, policymakers, regulators, academia, development partners, and private sector organizations. Startups were further categorized by stage (early stage, PMF, growth, scaling), sector (e.g., AgriTech, FinTech, HealthTech), and geography (mainland and Zanzibar), to capture nuances in ecosystem performance.

The study was based on a baseline of 842 startups identified in the 2023 ecosystem mapping. Using a 7.5% margin of error and 90% confidence level, the final sample size was set at 133 respondents, accounting for a 25% non-response buffer. Over-sampling was applied to underrepresented sectors and regions to ensure balanced insights across the board.

For data collection and management, tools such as Open Data Kit (ODK) were used for digital survey administration, while qualitative analysis was done through thematic coding. Quantitative data was analyzed using R, STATA, Excel, and SPSS, generating statistical insights on ecosystem trends, barriers, and growth patterns. Results from both data streams were integrated to offer a comprehensive, evidence-based narrative of the Tanzanian startup landscape.

The Tanzania Startup Ecosystem Status Report 2024 provides data-driven insights and actionable recommendations. Whether you are a policymaker, investor, entrepreneur, or ecosystem player, this report is your guide to understanding and contributing to Tanzania's dynamic startup ecosystem.

Download the report or **get involved** today by visiting TSA's website or contacting **info@tsa.co.tz**. Together, we can build a thriving ecosystem that drives economic growth, creates jobs, and transforms lives.

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Tanzania National Data 2024

1	66 M	Population
2	$79 B	GDP (USD)
3	5.6%	GDP Growth Rate
5	48 M	Internet Subscriptions
6	87 M	Telecom Subscription
7	23 M	Smartphones
9	98%	2G Population Coverage
10	91%	3G Population Coverage
11	88%	4G Population Coverage

Report Summary in Numbers

Metric	2024	2023
Startup population	1,041	+24%
Emerging startup founders (Female owned)	16%	+4.5%
EISO Population	95	-30%
Jobs created	138,453	+23%
Foreign Direct Investments	$53M (USD)	+112%
Domestic Direct Investments	$43.4M (USD)	+85.5%
Most funded sector	Fintech	Health tech
Startup Policy Development; Stage 4/8	50%	+12.5%

Introduction

The Tanzanian startup ecosystem is undergoing a significant transformation, characterized by increased entrepreneurial activity, deeper regional participation, and growing support from public and private actors. In 2024, the ecosystem registered 1,041 active Known startups, supported by 95 Entrepreneurship and Innovation Support Organizations (EISOs). These startups are playing an increasingly vital role in driving economic growth, creating jobs, and delivering innovative solutions to social and market challenges across sectors such as ICT, AgriTech, HealthTech, EdTech and E-commerce.

This 2024 Tanzania Startup Ecosystem Report, developed by the Tanzania Startup Association (TSA) in partnership with key stakeholders including government ministries, development partners, investors, academia, and ecosystem enablers, provides a comprehensive overview of the ecosystem's status and performance over the course of the year. The report builds on insights from previous studies conducted since 2021, including foundational work on ecosystem mapping and startup policy advocacy. Covering both Tanzania Mainland and Zanzibar, the report captures key developments, emerging trends, policy shifts, and actionable opportunities.

The report covers the period January to December 2024 and focuses on registered, operational startups across all stages of growth. Informal businesses and non-innovative microenterprises were excluded to ensure alignment with the ecosystem's innovation-driven definition. The research engaged 198 startups, 95 EISOs, and other actors through structured data collection and participatory analysis. A network of 26 trained research assistants conducted virtual data collection, while a 30-member Research Review Committee comprising representatives from government agencies, development partners, capital providers, academia, support organizations, professional firms guided the review, validation, and quality assurance processes throughout the study.

A stratified sampling approach was used to ensure broad representation across startup stages (early, product-market fit, growth, exit), sectors, and regions. The sample was derived from a baseline of 842 startups identified in 2023, with a target of 133 respondents based on a 7.5% margin of error at a 90% confidence level. Adding a 25% over-sampling rate, the adjusted sample size was approximately 133. The study exceeded this target, capturing data from 198 startups, ensuring high-quality representation for trend analysis.

The report uses a mixed-methods approach, combining both quantitative and qualitative data. Quantitative data was analyzed using tools such as R, SPSS, and Microsoft Excel to track trends in growth, funding, employment, and sector distribution. Qualitative data collected through interviews, focus group discussions, and consultations was coded and synthesized using tools like NVivo and AI to capture deeper insights into stakeholder perspectives, ecosystem dynamics, and policy implications.

While the study achieved strong national coverage through TSA's extensive partner network, some limitations remain. These include underrepresentation from less active regions and reliance on digital channels for data collection. However, the robust methodology, combined with broad stakeholder participation and rigorous data validation, ensures the report's findings are credible, inclusive, and actionable.

Ultimately, this report serves as a critical resource for policymakers, investors, support organizations, and entrepreneurs seeking to understand the state of the Tanzanian startup ecosystem in 2024. It highlights progress made, identifies persistent challenges, and outlines key areas for intervention to unlock the next phase of inclusive innovation and startup-driven economic development.

Startup Growth Landscape: A Global -to- Local Perspective

Global outlook

In 2024, the global startup economy presented a complex picture, marked by both promising advancements and persistent challenges. According to Dealroom total global venture funding for the year reached approximately $334.4 billion. A dominant trend was the overwhelming concentration of investment in artificial intelligence, with AI-related startups receiving over $100 billion in funding, representing a significant increase compared to the previous year. This surge in AI investment served as a primary driver behind the slight overall increase in global venture funding compared to 2023, particularly bolstered by a strong performance in the fourth quarter.

The top global ecosystem rankings continued to be dominated by Silicon Valley, New York City, and London, as reported by both Startup Genome's GSER and StartupBlink's Index, which highlighted their enduring strength and attractiveness for startups and investors.

The conditions in 2024 suggested a stabilization in the funding environment after the sharp declines of previous years. However, the intense focus on AI indicated a sector-specific boom rather than a broad market recovery across all industries. The persistent challenges in the exit market remained a concern, potentially impacting investor returns and influencing future funding strategies. Nevertheless, the overall activity and investment levels demonstrated the ongoing dynamism and potential of the global startup ecosyste.

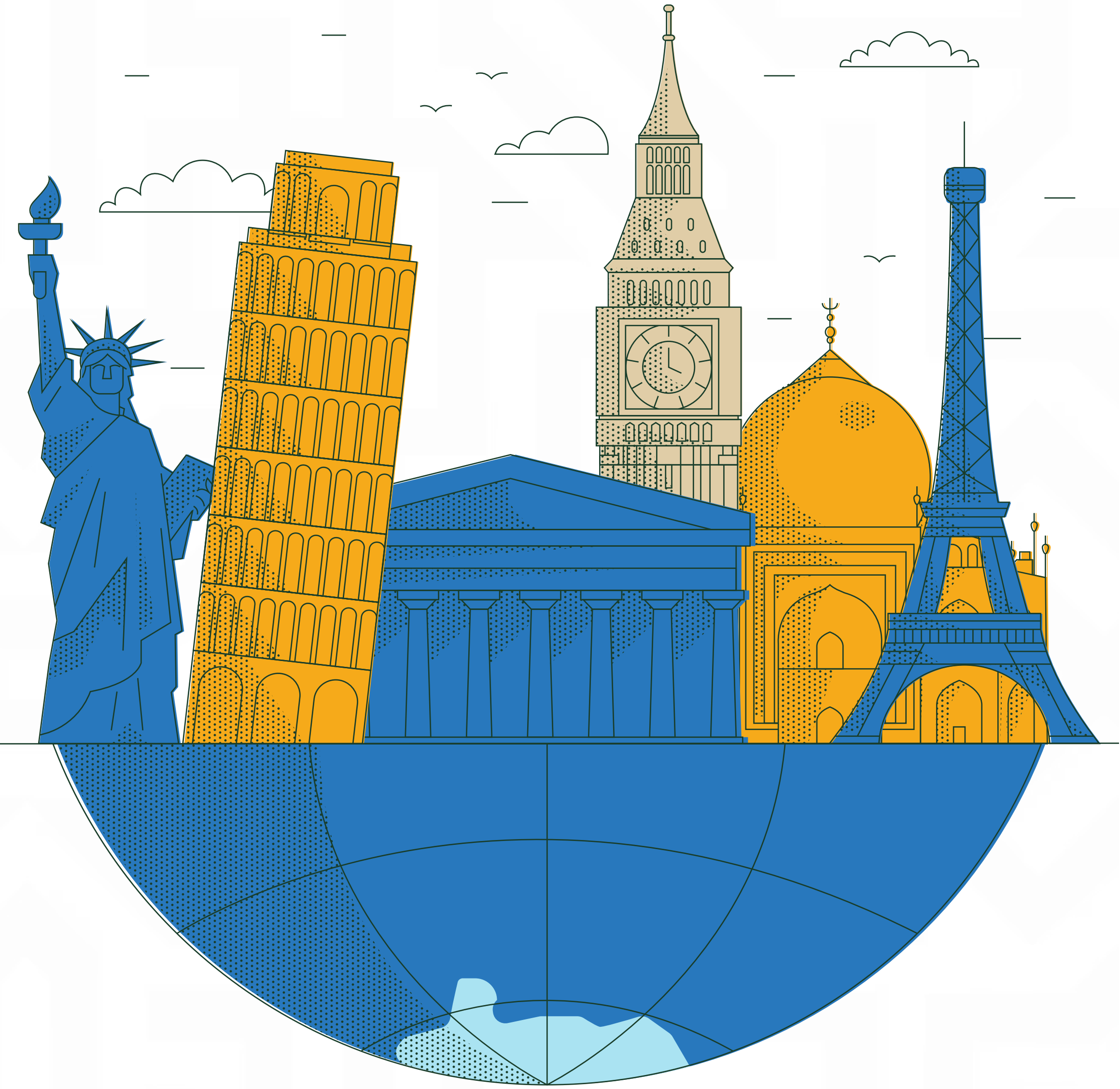
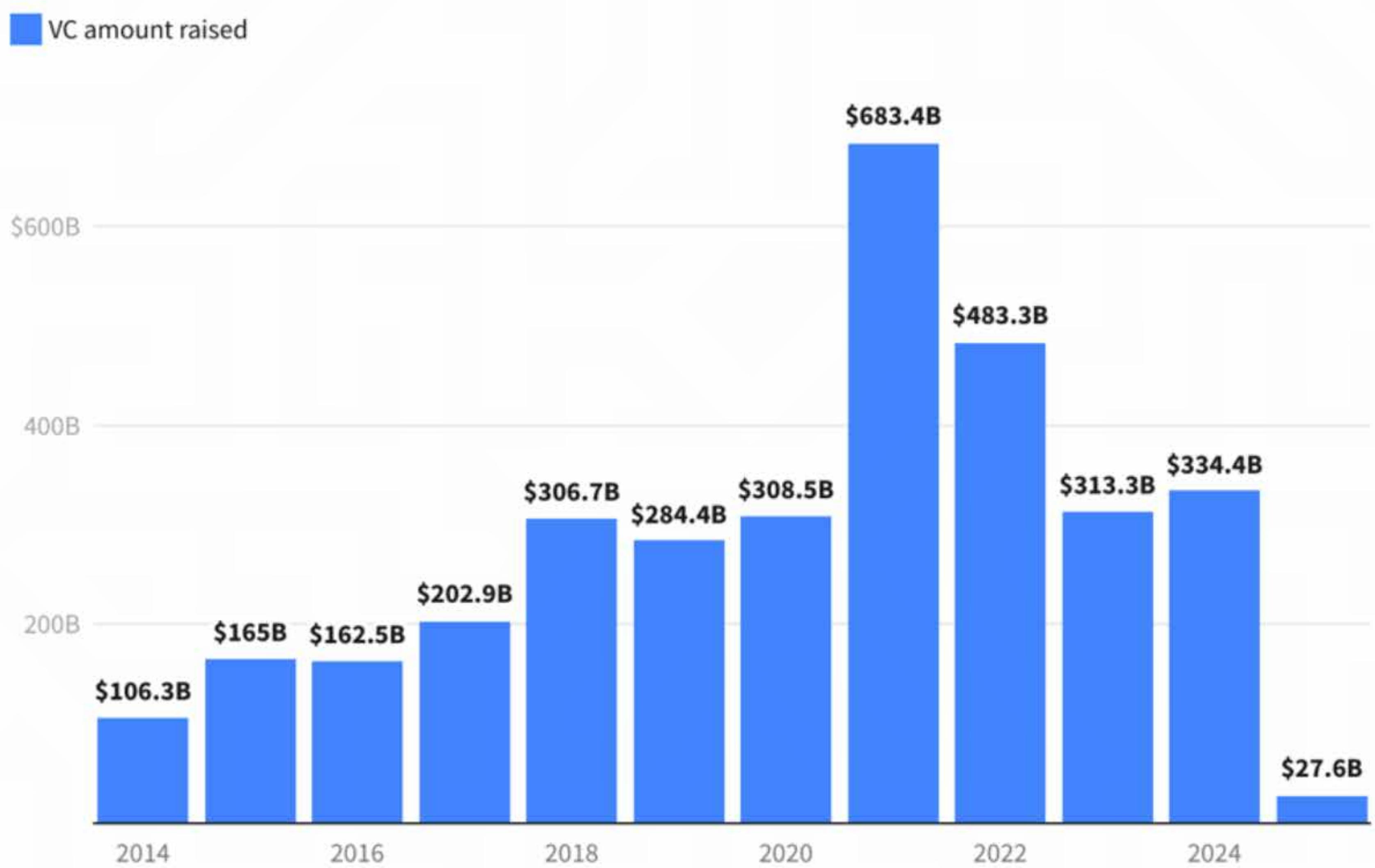


Fig 1. Global Venture Funding Trend 2014 - 2024



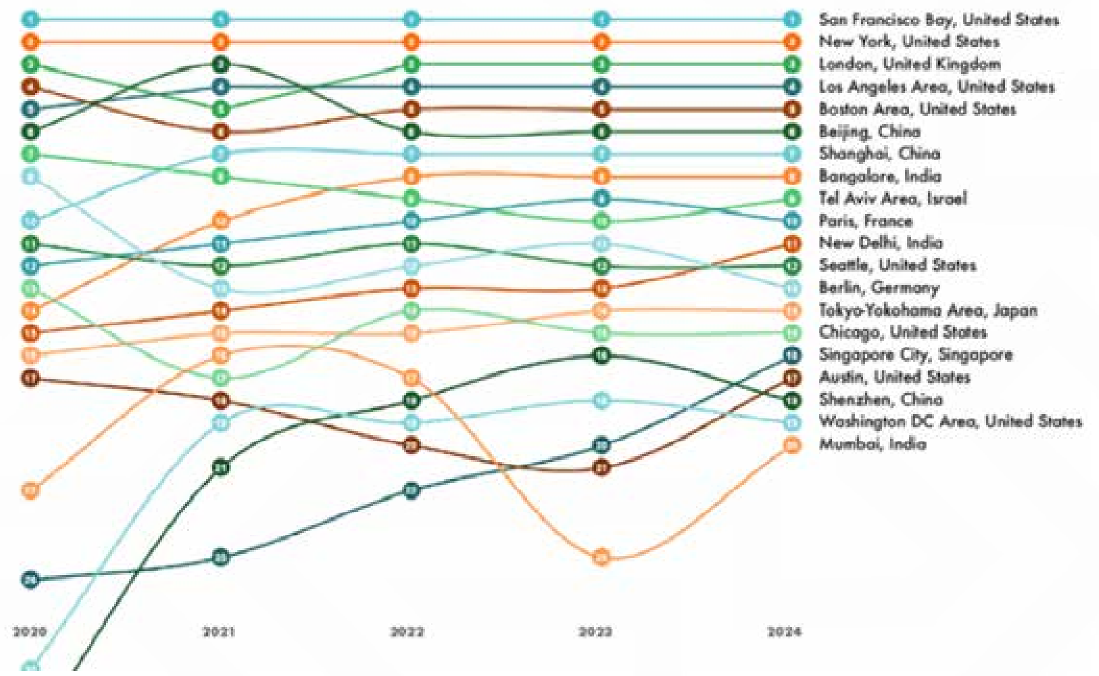
Global Startup Trends (2014–2024): From Crisis to Rebound

Examining the evolution of these key metrics from 2014 to 2024 revealed significant trends and shifts within the global startup ecosystem. The initial impact of the COVID-19 pandemic in early 2019 led to a noticeable drop in venture capital spending as uncertainty gripped the global economy. However, this downturn proved to be short-lived, as the rapid acceleration of digitization and the emergence of new opportunities fueled a remarkable surge in global venture funding in 2021. This period witnessed unprecedented levels of investment across various stages of startup development.

Following this peak, the global funding landscape experienced a correction, with declines recorded in both 2022 and 2023. In 2023, investment levels reached a two-year low, impacting all funding stages—particularly early-stage investments. This slowdown was attributed to factors such as rising inflation and increasing interest rates, which led investors to become more cautious in their capital deployment. However, 2024 saw a slight rebound in overall funding, primarily driven by a significant increase in investments directed towards the rapidly growing field of artificial intelligence. Despite the slowdown in previous years, sectors like AI and Cleantech continued to attract substantial interest and investment, underscoring their perceived potential for future growth and impact.

In terms of ecosystem rankings, the top positions remained relatively consistent, with Silicon Valley consistently holding the top spot, followed by New York City and London often tied for second place. These established hubs benefited from mature funding ecosystems, high exit values, and deep talent pools. However, other cities demonstrated significant upward mobility in the rankings, including Tokyo, Seoul, Paris, and Shenzhen, reflecting a growing decentralization of startup activity and the rise of new innovation centers. Notably, Madrid was identified as a top emerging startup ecosystem, highlighting its potential to become a leading global performer in the coming years.

Fig 2. Top 20 Global Ecosystem Ranking 2020 - 2024



Source: startup blink report 2024

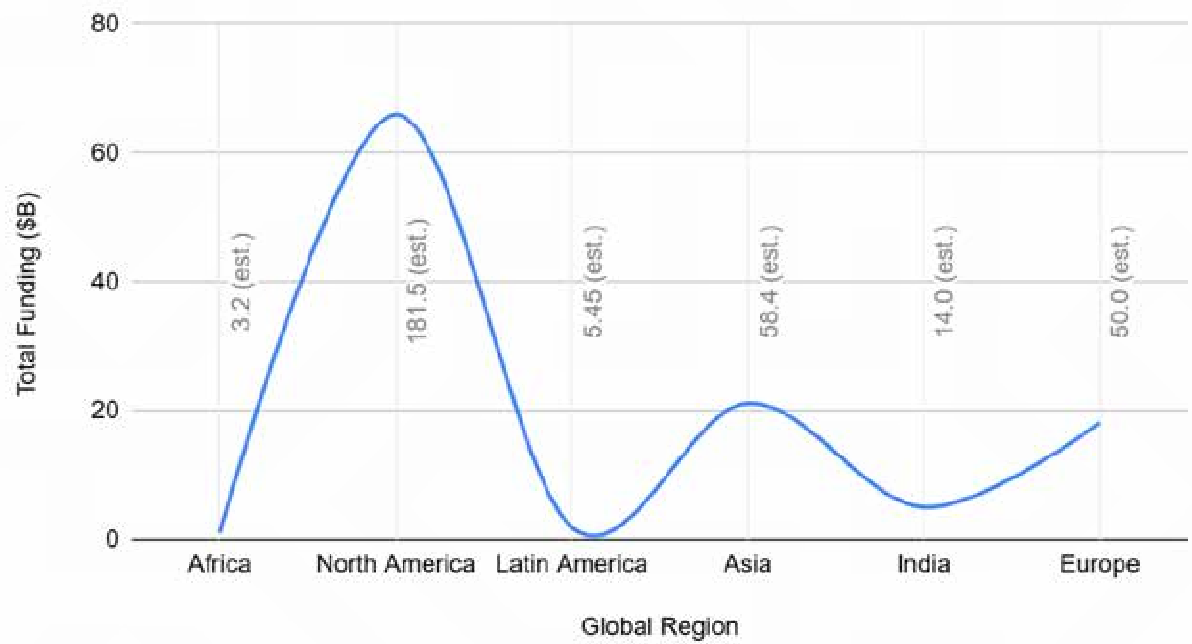
Regional Trends: Africa Vs The Rest of the World

Analysis of African Startup Fundraising in 2024

Overview of African Funding

In 2024, data from Partech Africa shows African startups raised $3.2 billion, a 7% decline from $3.5 billion in 2023, with equity funding stable at $2.2 billion and debt funding dropping 17% to $1 billion due to high USD interest rates (Partech Africa Tech Venture Capital 2024 Report). Deal activity included 457 equity deals (-3% YoY) and 77 debt deals (+4% YoY), with unique equity investors up 2% to 583. Fintech led with $1.3 billion (60% of equity funding), while Nigeria ($520 million), South Africa ($459 million), Egypt ($297 million), and Kenya ($221 million equity, $382 million debt) dominated, though the Big Four's share fell to 67% from 79%. Globally, startup funding reached $275 billion, with Africa's $3.2 billion comprising just 1.16% despite its 18% population share (founder.africa, 2025). North America raised $181.5 billion (+21% YoY), Latin America $5.45 billion (+9%), Asia $58.4 billion (-27%), India $14 billion (+40%), and Europe around $50 billion. Africa's debt share (31%) exceeds the global average (20%), reflecting reliance on non-dilutive capital, but it lags in AI-driven sectors, which account for 30% of global VC funding. Female-founded startups in Africa raised only 7% of equity funding, compared to 10-15% in Europe and North America. Africa shows resilience but must address structural gaps to compete globally.

Fig 3. Total Startup Funding by Region in 2024



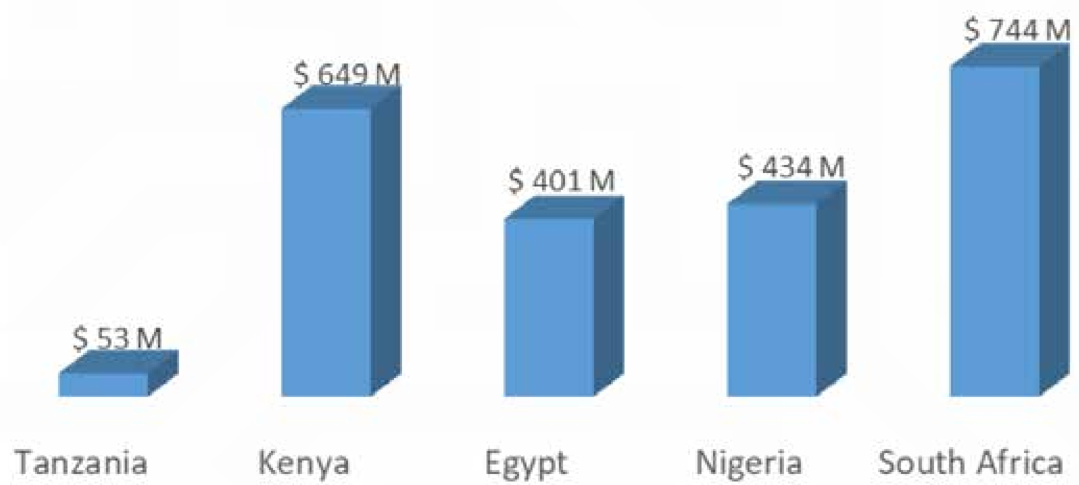
Africa’s Leading Ecosystems: Tanzania Vs KENGS Countries

Data from Big Deals Africa 2024 clearly illustrated the significant gap in startup funding between Tanzania and the continent's leading economies. The table below presented the total funding amounts and number of deals for each country in 2024.

The disparity in total funding was immediately apparent. Kenya raised $649.04 million—an amount that exceeded Tanzania’s $53 million by $596.04 million, representing a staggering 1124.6% difference. Similarly, Egypt secured $401.15 million, $348.15 million more than Tanzania (a 656.9% gap), Nigeria raised $434.05 million—$381.05 million more (718.9%), and South Africa attracted $744.2 million, surpassing Tanzania by $691.2 million (1304.2%). These figures underscored the overwhelming dominance of Kenya, Egypt, Nigeria, and South Africa in attracting startup investment in 2024.

The number of deals followed a similar trend, though the percentage differences were less pronounced compared to total funding, indicating possible variations in average ticket sizes. Kenya recorded 119 deals, 92 more than Tanzania’s 27 (a difference of 340.7%). Egypt recorded 65 deals, 38 more than Tanzania (140.7%). Nigeria completed 112 deals—85 more than Tanzania (314.8%), while South Africa closed 57 deals, 30 more than Tanzania (111.1%).

Fig 4. Tanzania Vs KEGS Startup Fundraising in 2024

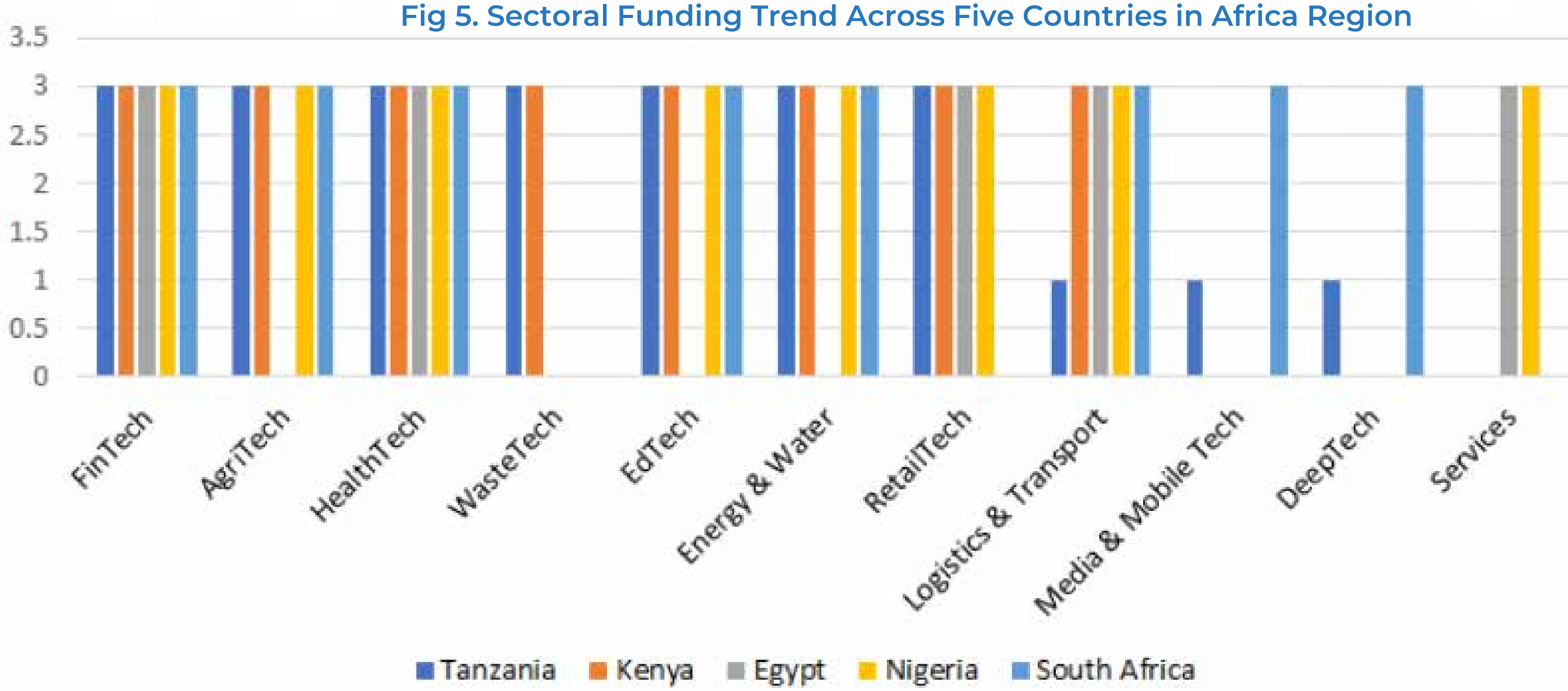


Sectoral Funding Insights Across Five Countries in Africa

Across five countries in the region, FinTech stood out as the dominant sector, consistently ranking first in Tanzania, Kenya, Egypt, Nigeria, and South Africa. This reflected a shared regional push toward digital financial inclusion and mobile-based payment solutions. Additionally, HealthTech and Energy & Water frequently appeared among the top sectors across countries, indicating a continental focus on essential services and infrastructure. These commonalities suggested that startups addressing foundational challenges—finance, health, and utilities—attracted the most attention from investors and development partners, regardless of ecosystem maturity.

However, clear differences emerged beyond the top three sectors. Tanzania exhibited a more impact-driven sectoral spread, with AgriTech and WasteTech ranking higher than in its regional peers—sectors closely tied to local livelihoods, sanitation, and food security. In contrast, Kenya, Nigeria, and Egypt emphasized Logistics & Transport and RetailTech, driven by e-commerce growth and urbanization, while South Africa led in DeepTech and Media, reflecting a more mature innovation ecosystem. These differences highlighted how ecosystem maturity, investor sophistication, and national development priorities shaped sectoral investment patterns across Africa.

Fig 5. Sectoral Funding Trend Across Five Countries in Africa Region



Tanzania Startup Ecosystem Highlights in 2024

“2024 marked a pivotal year for Tanzania’s startup ecosystem, driven by a surge in policy activity, investment mobilization, and international partnerships. Stakeholders across government, private sector, and innovation support organizations including the Tanzania Startup Association (TSA) played key roles in empowering startups, expanding access to finance, and positioning the country as a rising entrepreneurship hub in Africa.

Global Engagements & Partnerships

Korea-Africa Summit 2024

In 2024, a delegation of 10 Tanzanian startups participated in the Korea-Africa Summit, engaging in networking sessions and visiting Pangyo Technovalley—Korea’s leading tech innovation hub. The mission, coordinated with support from ecosystem actors including the Tanzania Startup Association (TSA), created new pathways for collaboration with Korean investors and technology firms, and reinforced Tanzania’s emergence as a regional innovation hub.

Tanzanian startup delegation in Seoul with H.E. President Dr. Samia Suluhu Hassan during the 2024 Korea-Africa Summit and state visit

Strategic Partnerships

NMB Bank Commits to Startup Growth

In a significant boost for Tanzania's innovation ecosystem, NMB Bank entered a three-year partnership in 2024 to expand financial access for startups. The initiative includes venture capital access, investor matchmaking, and tailored financial literacy support for early-stage ventures. Ecosystem stakeholders, including the Tanzania Startup Association (TSA), played a key role in shaping the partnership, which was hailed by NMB's CEO as a "gamechanger" for inclusive entrepreneurship.

Korea-Africa Foundation Partnership

In 2024, a strategic partnership was established between Tanzania's startup ecosystem and the Korea-Africa Foundation (KAF), an agency under Korea's Ministry of Foreign Affairs. The agreement supports knowledge exchange, research on youth entrepreneurship, and startup collaboration between Tanzania and Korea. Ecosystem actors, including the Tanzania Startup Association (TSA), played a facilitating role in advancing this bilateral initiative, which highlights Korea's growing interest in Tanzania's innovation potential.

Ambassador Lyeo Woon-Ki, President of the Korea-Africa Foundation (KAF), pictured with Tanzanian ecosystem representative Mr. Jumanne Mtambalike during the 2024 MoU signing

Strategic Partnerships

Mainland-Zanzibar Collaboration for Startup Growth

In 2024, a formal partnership was established between the startup communities of mainland Tanzania and Zanzibar through a Memorandum of Understanding between the Zanzibar Startup Association (ZSA) and national ecosystem actors. The collaboration focuses on joint policy advocacy, capacity-building, and shared market access—strengthening cross-regional connectivity for startups across both regions. TSA was among the facilitators supporting the partnership framework.

Ecosystem leaders from mainland Tanzania and Zanzibar sign an MoU to strengthen startup collaboration during Tanzania Startup Week (TSW) in December 2024

AYuTe Africa Challenge Tanzania: Championing Young Agritech Talent

The AYuTe Africa Challenge Tanzania 2024, led by Heifer International Tanzania in partnership with Sahara Ventures, spotlighted youth-driven innovation in agriculture. With a total prize of USD 22,500, the competition offered funding and mentorship to top AgriTech startups solving smallholder farmer challenges.

Mark Tsoxo, Country Program Director for Heifer International Tanzania speaking with journalists during official launching of the AYuTe Africa Challenge Tanzania

Policy & Regulatory Progress in 2024

Tanzania's Development Vision 2050

In 2024, the drafting of Tanzania's Development Vision 2050 advanced significantly, with startups formally recognized as key drivers of the country's long-term economic growth. Multiple stakeholders—including representatives from the innovation ecosystem—were engaged in the process through a national secretariat. The draft Vision document, which features strong emphasis on entrepreneurship and innovation, is currently under review through ongoing stakeholder consultations.

Digital Economy Strategic Framework 2024–2034

Launched in 2024, Tanzania's Digital Economy Strategic Framework charts a national roadmap for embedding digital innovation and entrepreneurship across all key sectors. The framework was shaped through a multi-stakeholder process that included public agencies, private sector actors, and innovation enablers such as the Tanzania Startup Association (TSA). Implementation efforts are now underway, with continued advocacy to ensure the framework translates into startup-friendly digital policy reforms.

National Investment Strategy 2025–2035

The draft National Investment Strategy 2025–2035 was completed in 2024, with startups positioned as a strategic priority for investment attraction. The strategy was shaped through inclusive stakeholder input from both government and the private sector, including recommendations from startup ecosystem actors such as TSA. The draft is currently under review and pending formal government approval.

Tanzania Venture Capital Fund:

In 2024, Tanzania made significant progress toward launching its first dedicated Venture Capital Fund, with USD 40 million in commitments mobilized. The fund is the result of sustained advocacy and collaboration between the Ministry of Finance, regulatory bodies, and key ecosystem stakeholders, including the Tanzania Startup Association (TSA). Regulatory approvals and fund structuring have been completed, with final steps—such as operational governance and disbursement mechanisms—now underway.

VC and PE Regulation (2025):

Throughout 2024, Tanzania's startup and investment ecosystem worked closely with the Capital Markets and Securities Authority (CMSA) to draft the country's first regulatory framework for Private Equity and Venture Capital. The framework developed through extensive stakeholder consultations involving the Bank of Tanzania, TSA, and other ecosystem actors aims to create a clear, investor-friendly environment for capital mobilization into startups and early-stage ventures.

Stakeholders from CMSA, Bank of Tanzania, TSA, and others pictured during a 2024 strategy session on the PE/VC regulatory framework

Policy & Regulatory Progress in 2024

National Startup Policy and Act
In 2024, Tanzania advanced preparations for its first National Startup Policy through a multi-stakeholder process coordinated by the Ministry of Communications and Information Technology (MCIT). Ecosystem actors including innovation hubs, startup associations, and private sector partners contributed to the drafting phase. Broad-based policy consultations are scheduled to begin soon, with continued engagement to ensure the final policy reflects the priorities of Tanzania's startup community.

LLP Framework Amendment to Companies Act (2000)
In 2024, progress was made on amending the Companies Act to introduce Limited Liability Partnerships (LLPs)—a key step toward enabling structured co-investments in Tanzania's venture capital landscape. The proposed amendments were developed through collaboration between government and ecosystem stakeholders, with a draft submitted for review. Final parliamentary approval is pending, alongside continued technical support and advocacy from the startup and investment communities.

Public Procurement Regulations Amendment
In 2024, draft revisions to the Public Procurement Act were developed to explicitly include startups within the 30% allocation for special groups, alongside youth, women, and people with disabilities. This milestone followed sustained advocacy from ecosystem stakeholders and is currently awaiting formal adoption by the Public Procurement Regulatory Authority (PPRA). Efforts are now focused on aligning public and private actors to ensure timely approval and effective implementation.

Capital Gains Tax Revision
In 2024, the startup and investment ecosystem initiated consultations with the Ministry of Finance to advocate for a more competitive Capital Gains Tax regime that supports venture capital and private equity activity in Tanzania. While the Ministry has acknowledged the need for reform, formal proposals remain under internal review. Ecosystem actors continue to support the process through research, technical input, and investor consultations.

Policy & Regulatory Progress in 2024

M&A Threshold Revision

In 2024, regulatory consultations began on raising the merger notification threshold from TZS 3.5 billion to TZS 10 billion to better reflect the scale of transactions in Tanzania's growing innovation and investment landscape. The initiative supported by ecosystem stakeholders in collaboration with the Fair Competition Commission (FCC) has received initial regulatory backing, with draft amendments underway and continued advocacy to support finalization.

Startup Labelling and Capital Flow Tracking

In 2024, the Bank of Tanzania (BoT), in collaboration with financial institutions and ecosystem partners, initiated a national mechanism to label and track startup-related capital flows. This effort aims to improve visibility of startup financing across banks and lenders. Initial implementation has begun, with commercial banks integrating start-up-specific reporting into their systems. Ongoing collaboration is focused on expanding coverage and monitoring effectiveness.

Capital Markets Regulatory Sandbox (CMSA)

In 2024, Tanzania advanced the development of its Capital Markets Regulatory Sandbox, led by the Capital Markets and Securities Authority (CMSA) in collaboration with stakeholders from the innovation and investment ecosystem. Draft guidelines were published and entered the public consultation phase, marking a key milestone toward regulatory experimentation for fintechs and capital market innovators. Continued engagement is underway to finalise and operationalise the sandbox.

TSA representatives met with the Bank of Tanzania to discuss startup financing, regulatory reforms, and the implementation of capital flow tracking systems

Healthtech Regulatory Sandbox (TMDA)

In 2024, the Tanzania Medicines and Medical Devices Authority (TMDA), in collaboration with healthtech stakeholders, initiated the development of a regulatory sandbox to support medical innovation and compliance. Drafting of the guidelines is underway, following initial consultations with local innovators and ecosystem partners such as TSA. The sandbox aims to create a safe, flexible space for regulatory experimentation in the healthtech sector.

TMDA and TSA convened a technical session with healthtech startups to discuss regulatory compliance and sandbox development for the local health innovation ecosystem.

Insurance Regulatory Sandbox (TIRA)

In 2024, early-stage consultations began to define the scope of Tanzania's Insurance Regulatory Sandbox, led by the Tanzania Insurance Regulatory Authority (TIRA) in collaboration with innovation ecosystem partners. Preliminary frameworks are under development to support regulatory innovation in insurance, with further stakeholder input required before formal guidelines are finalized and the sandbox is officially launched.

Edutech Regulatory Sandbox (TEA)I

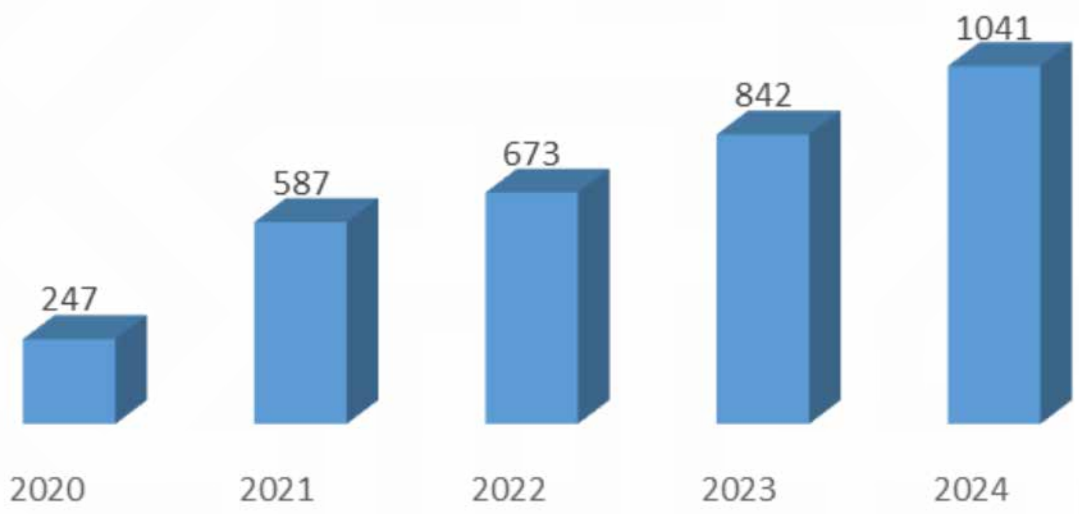
n 2024, initial consultations were launched between the Tanzania Education Authority (TEA) and ecosystem stakeholders to explore the development of an Edutech Regulatory Sandbox. The effort aims to define regulatory needs, scope, and stakeholder priorities for supporting innovation in the education sector. Formal drafting of sandbox guidelines is yet to begin, with continued dialogue underway to advance the initiative.

Tanzania Ecosystem Overview and Growth

Startup Population and Growth

The Tanzanian startup ecosystem has experienced notable growth over the past five years, marked by a consistent increase in the number of Known startups operating in the country. The data reveals an upward trajectory in startup formation, rising from 247 Known startups in 2020 to 1,041 in 2024 a 321% increase over the period. This growth reflects increasing entrepreneurial activity, improved access to information, and expanding support structures across the ecosystem.

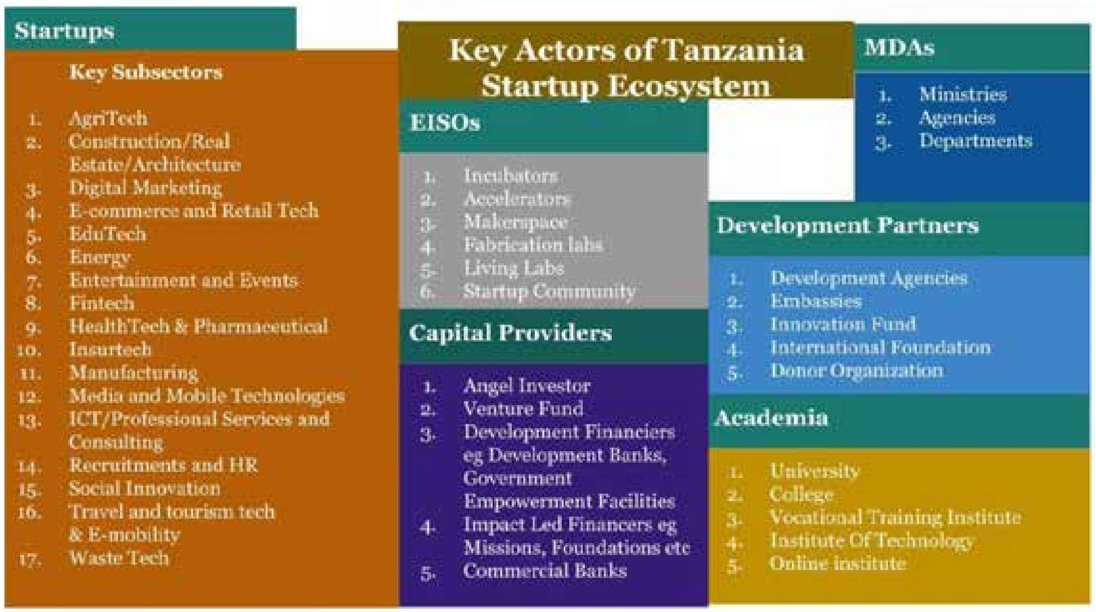
Fig 6. Tanzania Startup Population and Growth



Ecosystem Players

The Tanzanian startup ecosystem is supported by a diverse range of players, each contributing uniquely to its growth and functionality at the center being the startups themselves. The primary drivers of innovation, creating new solutions, generating employment, and adding economic value. The fig below gives a snapshot of the ecosystem players

Fig 7. A snapshot of Ecosystem Players

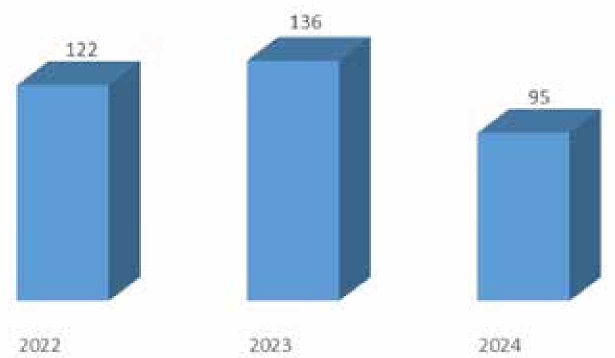


Source: Tanzaniai Startup Status Report 2023

Entrepreneurship and Innovation Support Organizations (EISOs).

In 2024, the number of Entrepreneurship and Innovation Support Organizations (EISOs) in Tanzania declined to 95, marking a significant drop from 136 in 2023 and 122 in 2022. This downward trend indicated a contraction in ecosystem support infrastructure, possibly driven by funding challenges, shifting priorities, or consolidation of services within the startup support space. The decline in EISO count raised concerns about the capacity of the ecosystem to provide adequate mentorship, incubation, and acceleration services for emerging startups. The figure below shows the change in EISO population over the years.

Fig 8. EISOs Population and Growth



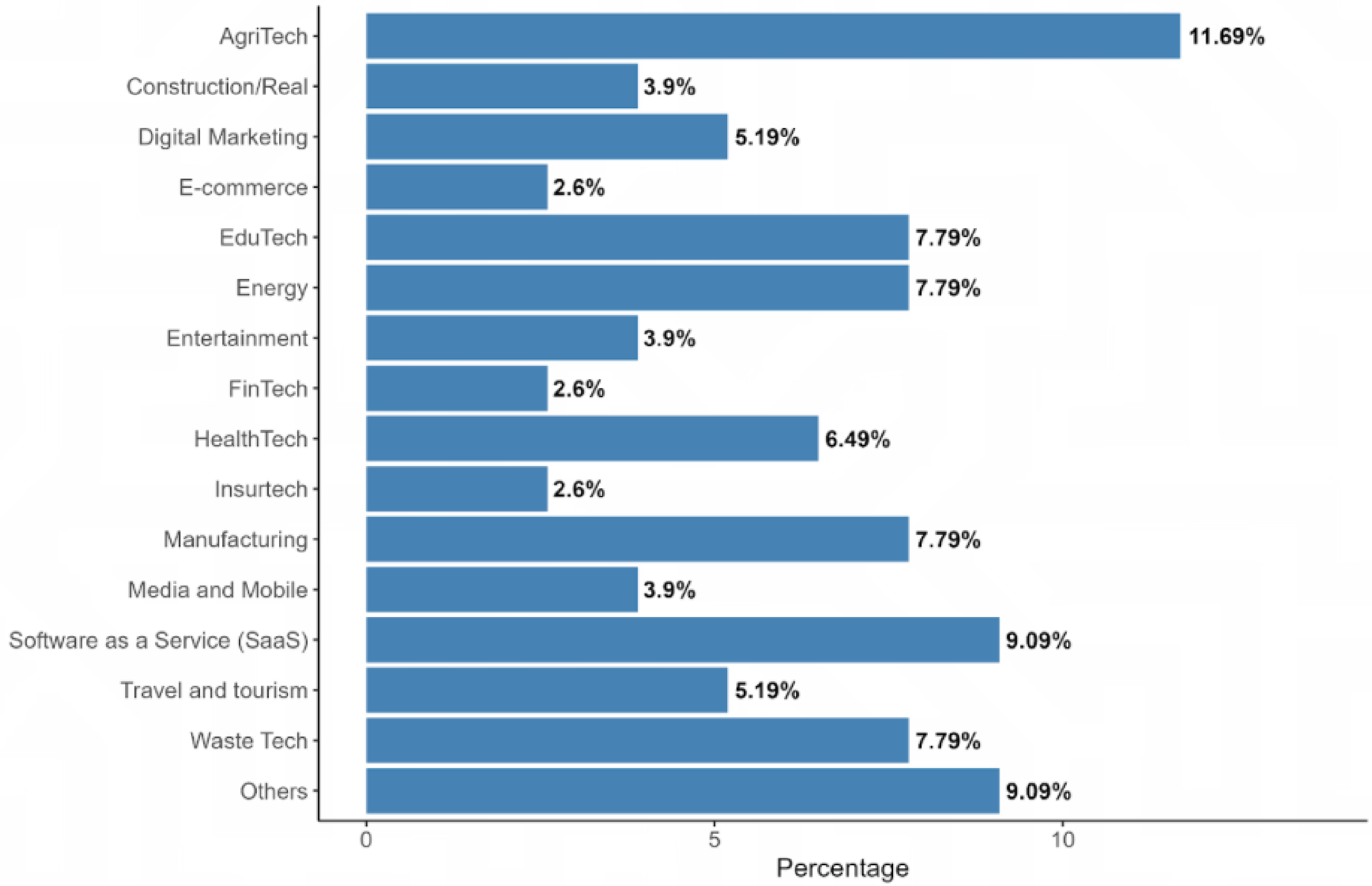
- **Categories of EISOs Based on Services Offered;** Based on 2024 data, the structure and services of Entrepreneurship and Innovation Support Organizations (EISOs) in Tanzania reflected a dual focus on incubation and acceleration, with 50% of EISOs identifying as incubators and 36.36% as accelerators. This confirmed a continuing trend from the 2022 Tanzania Startup Ecosystem Status Report, which had reported 60% and 50% coverage for incubation and acceleration services, respectively. The strong presence of these two categories suggested that Tanzania's EISOs were primarily geared toward nurturing early-stage startups and helping them transition toward growth readiness.

Notably, 20.45% of EISOs in 2024 also offered maker space services, indicating growing support for product-based and hardware startups, particularly in sectors such as AgriTech, manufacturing, and cleantech. Fabrication labs (4.55%) and living labs remained niche but critical infrastructure for prototyping and applied innovation, especially within university-affiliated hubs and sector-specific innovation centers.

- **Geographical Distribution of EISOs;** In 2024, the geographic distribution of Entrepreneurship and Innovation Support Organizations (EISOs) in Tanzania reflected a significant urban concentration, with Dar es Salaam hosting over 52% of all recorded EISOs. This marked a marginal decrease from 54.17% in 2023, indicating a slow but ongoing effort to diversify support structures beyond the commercial capital. Other prominent regions such as Morogoro (13.6%), Arusha (9%), and Mbeya (4.5%) also retained their presence as secondary hubs for startup support, consistent with 2023 trends. These regions benefited from relatively better infrastructure, the presence of higher learning institutions, and more active local innovation communities. Mwanza, which had a visible footprint in 2023, continued to be part of the top-tier regions, although its share remained relatively small.

- **EISOs Sector Focus;** In 2024, the sectoral orientation of Entrepreneurship and Innovation Support Organizations (EISOs) in Tanzania highlighted the ecosystem's alignment with national development goals and market demand. The data revealed a diverse sectoral landscape, with a notable concentration in sectors addressing foundational socio-economic challenges.
- AgriTech led with 11.69%, reflecting strong support for agricultural innovation. Software as a service (SaaS) followed at 9.09%, while EduTech, Energy, and Manufacturing each accounted for 7.79%, demonstrating balanced investment in education technology,

Fig 9. EISOs Sector Focus in 2024



- **EISOs' Interest in Startup Stages;** In 2024, EISOs support startups in various stages of growth . The analysis reveals that 81% of EISOs support startups in the idea stage, while 94% support those in the early stage. Growth-stage, scaling-stage, and exit-stage startups follow with 61%, 11%, and 5%, respectively. This information highlights the startup landscape and identifies areas for more support. The high concentration of startups in the idea and early stages suggests a need for more support to help these businesses grow and succeed. The lower percentages of startups in the scaling and exit stages suggest that there may be barriers to growth and sustainability, such as a lack of access to funding or mentorship.

Higher Learning Institutions (HLIs).

"Tanzania's higher learning institutions were not only producing talent but also shaping the next generation of founders, particularly in digital, agricultural, and service-based sectors. As the ecosystem matures, universities are expected to play an even greater role in bridging the gap between research, innovation, and market- driven entrepreneurship.

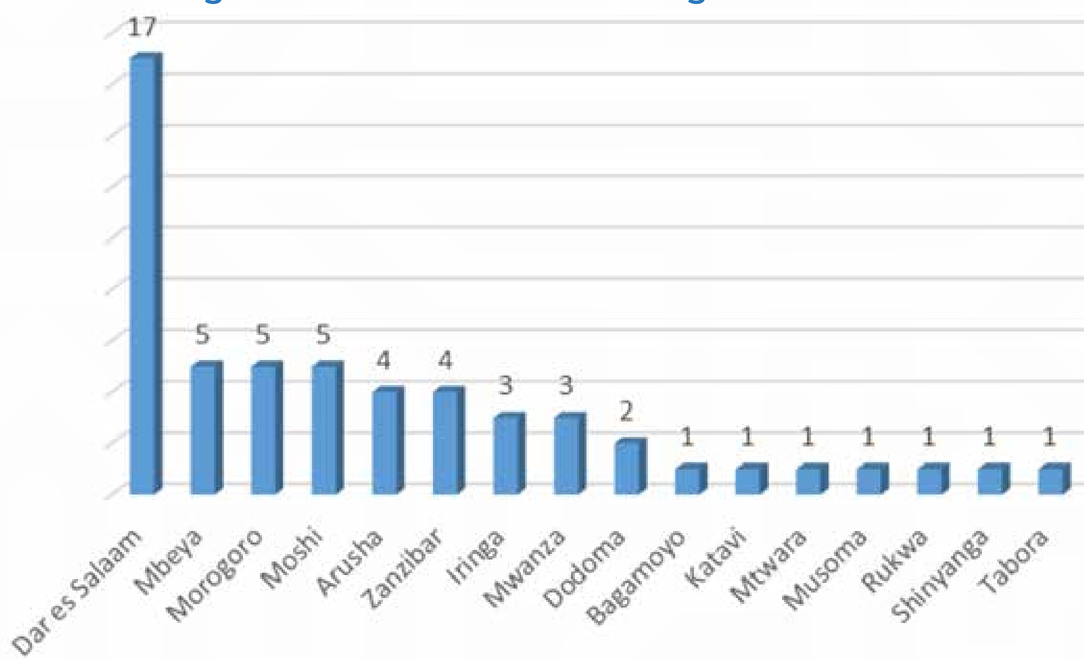
- **Universities Operating in Tanzania;** Higher Learning Institutions (HLIs) continued to play a central role in shaping Tanzania's startup ecosystem in 2024, serving as both talent incubators and innovation hubs. As of March 2025, Tanzania had 55 approved university institutions operating across the country, according to the Tanzania Commission for Universities (TCU)'s publication "Universities for Prosperity, 1 March 2025." This marked an increase from 49 institutions recorded in the 2023 TSA Startup Ecosystem Status Report, reflecting a steady expansion in the country's higher education landscape. The growth remained concentrated in key academic centers such as Dar es Salaam, Morogoro, and Arusha.

These institutions were not only producing skilled graduates but also increasingly integrating entrepreneurship into their curricula, offering startup incubation programs, hosting innovation labs, and supporting research commercialization. Their growing involvement reinforced the idea that universities are becoming anchor institutions within the national innovation system.

The impact of HLIs on the startup ecosystem was most clearly reflected in founder data. In 2024:

- Over 85% of startup founders were graduates of Tanzanian universities, underscoring the critical contribution of local academic institutions to entrepreneurship.
- The University of Dar es Salaam (UDSM) accounted for the highest share, producing 19% of all known startup founders. Its strong academic reputation, alumni networks, and dedicated entrepreneurship programs made it a key driver of innovation.

Fig 10. Tanzania Universities Regional Distribution



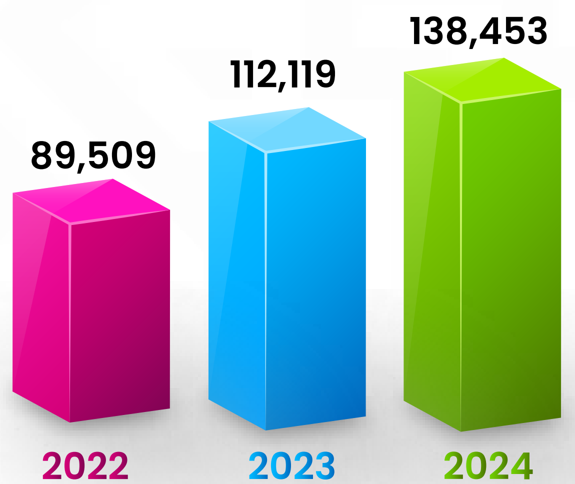
Jobs creation

“The Tanzania startup ecosystem is becoming a powerful force in employment generation in Tanzania. To sustain and amplify this impact, it is critical to ensure access to capital, policy support, and capacity development, especially for startups scaling nationally and hiring at larger volumes. Strategic investment in this sector can significantly contribute to national job creation goals and inclusive economic development.

The Tanzanian startup ecosystem emerged as a significant contributor to employment, with startups increasingly becoming engines of job creation across sectors. The year-on-year growth in job creation demonstrated a consistent and upward trend. From 89,509 jobs in 2022, the ecosystem experienced a 25% increase to 112,119 jobs in 2023, followed by a further 23% rise in 2024, reaching 138,453 jobs. This trend highlighted the growing maturity of startups, many of which scaled their operations, built larger teams, and expanded geographically—especially those offering digital services, logistics, agritech, healthtech, and fintech solutions.

Importantly, job creation through startups was not confined to urban centers. Startups with national and international reach increasingly hired talent from across the country, contributing to more inclusive economic growth. Many of these jobs also involved youth, positioning the ecosystem as a strategic lever in addressing Tanzania's youth unemployment challenge. Additionally, the startup sector offered a wide range of employment types, from full-time staff and field agents to gig workers and freelance roles, aligning well with the flexibility demanded by today's evolving workforce.

Fig 11. Job Creation



Intellectual properties

Intellectual property (IP) remained a critical yet underutilized asset within the Tanzanian startup ecosystem. Of the 125 known startups surveyed, only 14 startups (11%) reported owning patents, collectively holding 87 registered patents. This indicated that while there was evidence of innovation and invention, the rate of formal protection through the IP system remained low relative to the broader startup population.

The average number of patents per startup among those with registered IP was six, suggesting that a small group of startups actively invested in protecting multiple innovations. These startups operated in sectors such as entertainment, digital marketing, e-commerce, and retail tech.

> ***"Intellectual property protection remained an untapped opportunity in the Tanzanian startup ecosystem. Strengthening awareness, reducing the cost and complexity of IP registration, and integrating IP support into EISO programs could have significantly enhanced innovation outputs. Building an IP-conscious entrepreneurial culture was essential for fostering long-term competitiveness and value creation, particularly in science, technology, and manufacturing sectors.***

Startup characteristics and demographics

Geographic distribution.

The Tanzanian startup landscape in 2024 continued to be highly concentrated in urban and economic hubs, with Dar es Salaam accounting for 66.19% of all 1041 known startups in the country.

Notably, regions such as Dodoma (3.07%), the country's political capital, and Iringa (1.92%) also show emerging activity, indicating growing decentralization efforts.

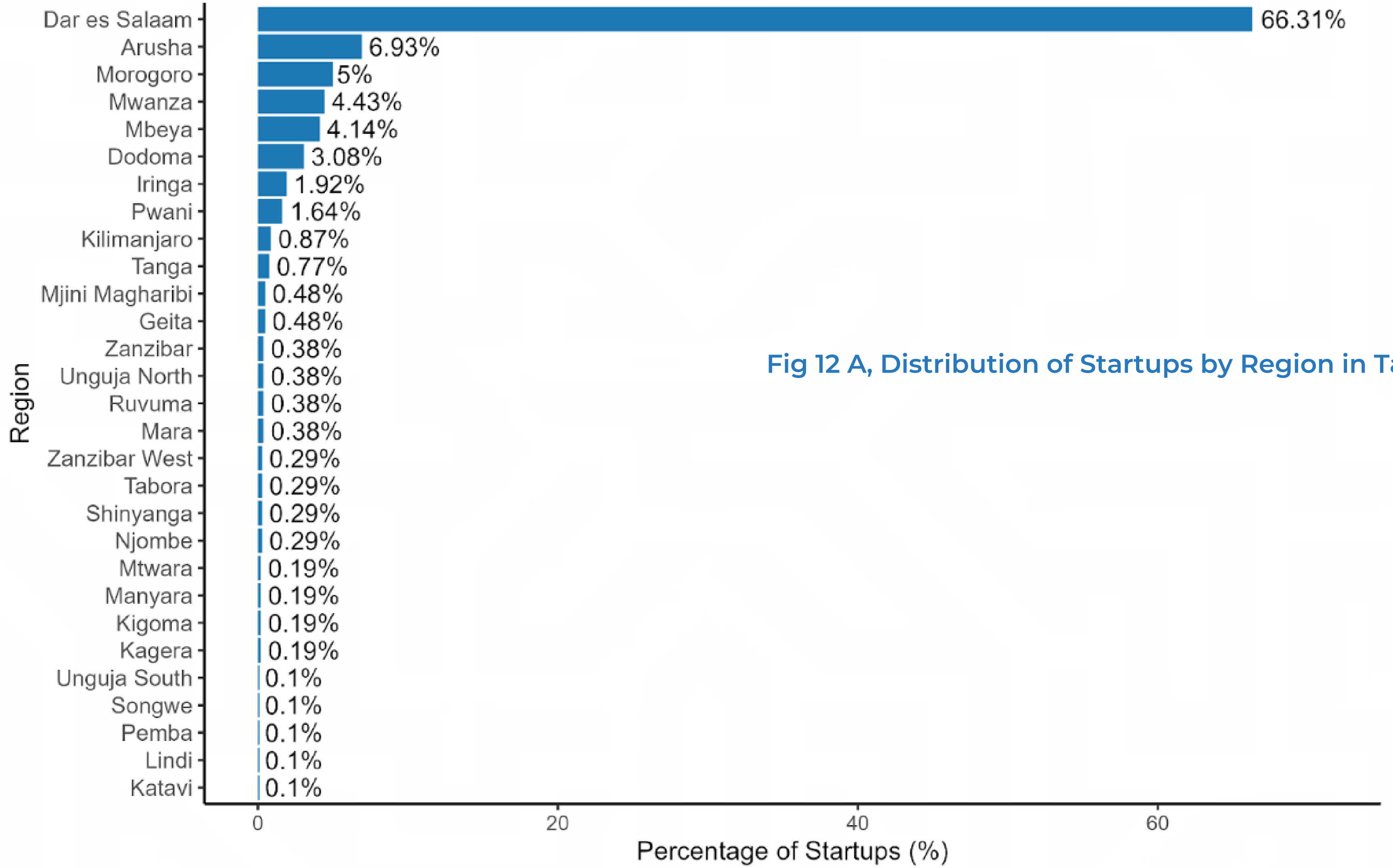


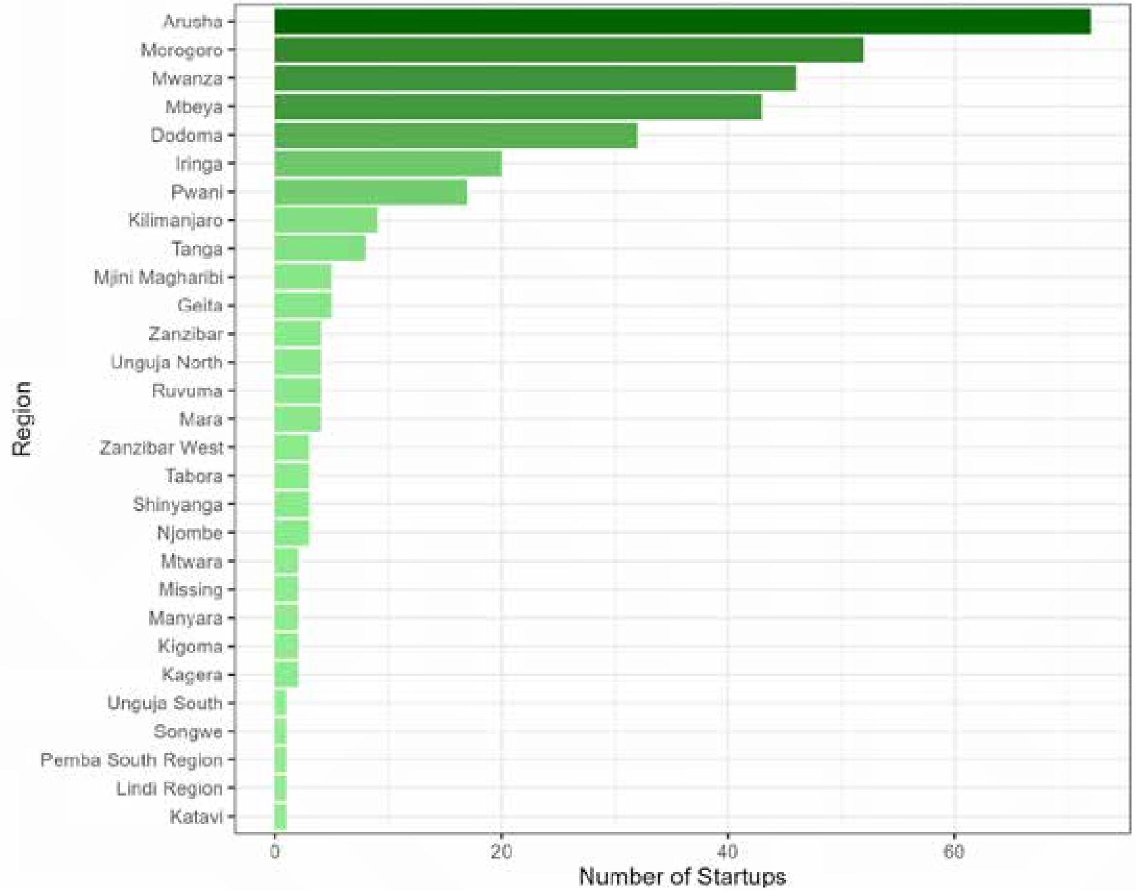
Fig 12 A, Distribution of Startups by Region in Tanzania

Sectoral Analysis

“In 2024, Tanzania’s startup sector remained digitally driven and impact-oriented, paving the way for a vibrant shift toward deeper innovation, greater sectoral diversification, and climate-conscious entrepreneurship—positioning the ecosystem to become more competitive, inclusive, and future-ready

In 2024, Tanzania’s startup ecosystm maintained a strong digital-first momentum, with Software as a Services (20.97%) and AgriTech (16.79%) emerging as the top sectors. This mirrors regional and global trends where digital transformation drives scalable innovation across value chains. Tanzanian startups leveraged mobile platforms, SaaS, and digital marketplaces to meet mass-market needs, particularly in areas with limited traditional infrastructure such as health, finance, and education. AgriTech’s prominence also reflected its foundational role in the national economy, with local ventures advancing precision farming, agri-market access, and supply chain digitization.

Fig 12. B, Geographic Distribution of Startups by Sector in Tanzania



Impact-oriented sectors—HealthTech (5.82%), FinTech (5.49%), and EdTech (5.05%)—also maintained steady growth, highlighting startups' role in addressing essential service delivery gaps. These sectors frequently attracted donor and early-stage venture capital due to their strong potential for social return and scale. In contrast, underrepresented yet high-potential sectors such as Energy, E-commerce, and Logistics (each below 4%) suggest structural barriers like high capital needs and regulatory complexity. Meanwhile, creative industries and cultural ventures showed promise, contributing over 7% combined, while climate-related sectors such as CleanTech, BioTech, and WasteTech are emerging.

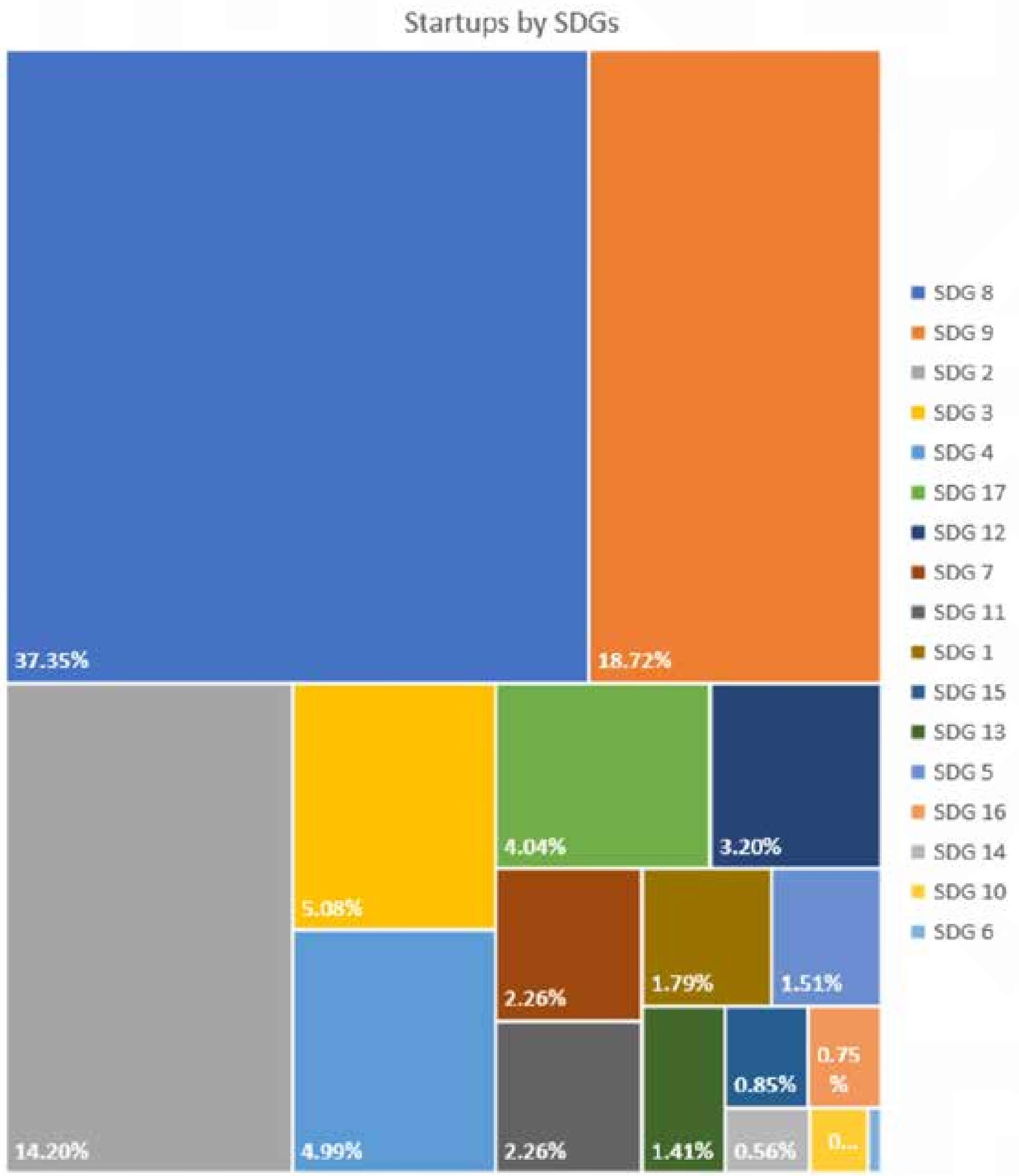
SDG Alignment

The 2024 data on Tanzanian startups presented a compelling narrative of how entrepreneurship intersected with national and global development priorities. Among the 1,041 startups assessed, nearly all reported alignment with at least one of the Sustainable Development Goals (SDGs), underscoring the ecosystem's broad contribution to inclusive, sustainable, and impact-driven growth.

The highest alignment was with SDG 8: Decent Work and Economic Growth, with 397 startups (37.35%) actively engaged in generating employment, increasing productivity, and enhancing economic resilience. This trend was consistent with the startup sector's strong performance in job creation—over 138,000 jobs created in 2024—and highlighted entrepreneurship as a national employment engine. These startups spanned sectors including professional services, digital marketplaces, logistics, and small-scale manufacturing, reflecting the labor-intensity and adaptability of these models.

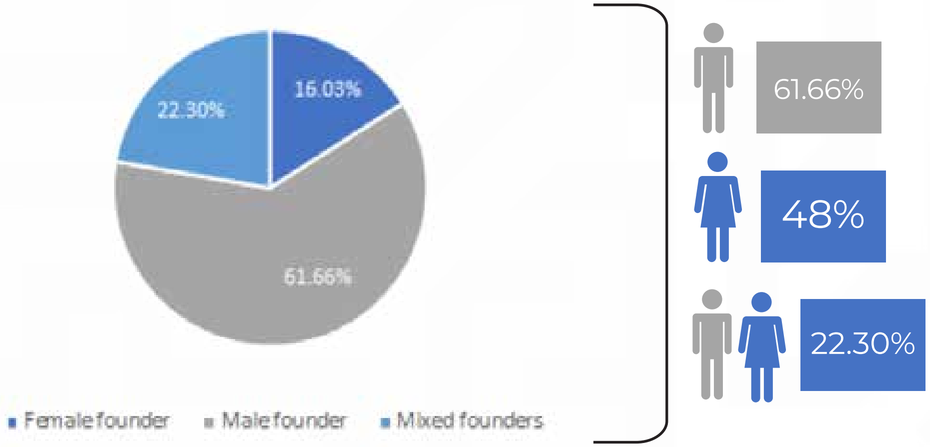
AgriTech startups, which formed a significant portion of the ecosystem, drove the high alignment with SDG 2: Zero Hunger, with 141 startups (14.20%). What stood out was the breadth of models under this SDG—from input supply platforms to climate-smart advisory services, supply chain digitization, and farm-to-market logistics. These startups not only targeted food production but also addressed systemic inefficiencies in the agricultural value chain, particularly for smallholder farmers.

Fig 13. Startups Contribution to SDGs



Demographics of Startup Founders

Fig 15. Startup Founders by Gender Diversity



In 2024, gender diversity among Tanzanian startup founders shows gradual progress. Of 686 startups with known data, 16.03% are female-led, 61.66% male-led, and 22.30% co-founded by mixed-gender teams.The increase in female-led startups from 11.76% in 2023 to over 16% signals growing support for women entrepreneurs.

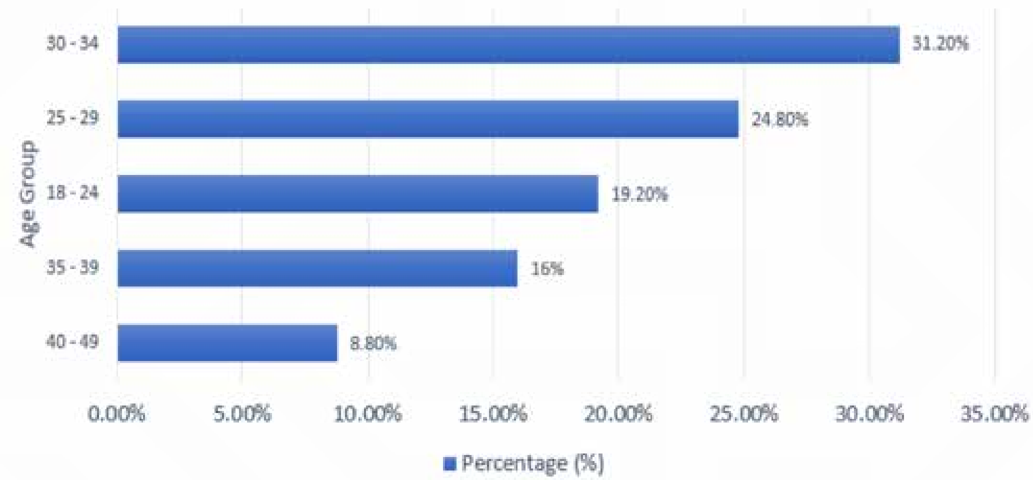
Despite progress, the dominance of male-led ventures highlights persistent gaps. Addressing this requires sustained gender-intentional efforts, including funding, mentorship, and ecosystem-wide support. Improved data categorization in 2024 has also strengthened the ecosystem's ability to track and respond to gender disparities.

Age Group

In 2024, the age profile of Tanzanian startup founders reflected the country's youthful population, with 75.2% aged between 18 and 34. The 30–34 group led with 31.2%, followed by 25–29 at 24.8%, and 18–24 at 19.2%, showing strong youth engagement in entrepreneurship, often driven by the digital economy and limited job opportunities.

Only 24.8% of founders were aged 35 and above, indicating low participation from older professionals. These patterns had key implications for ecosystem design, highlighting the need for youth-focused support and intergenerational collaboration to enhance startup resilience and scale.

Fig 16. Startup Founders by Age Group

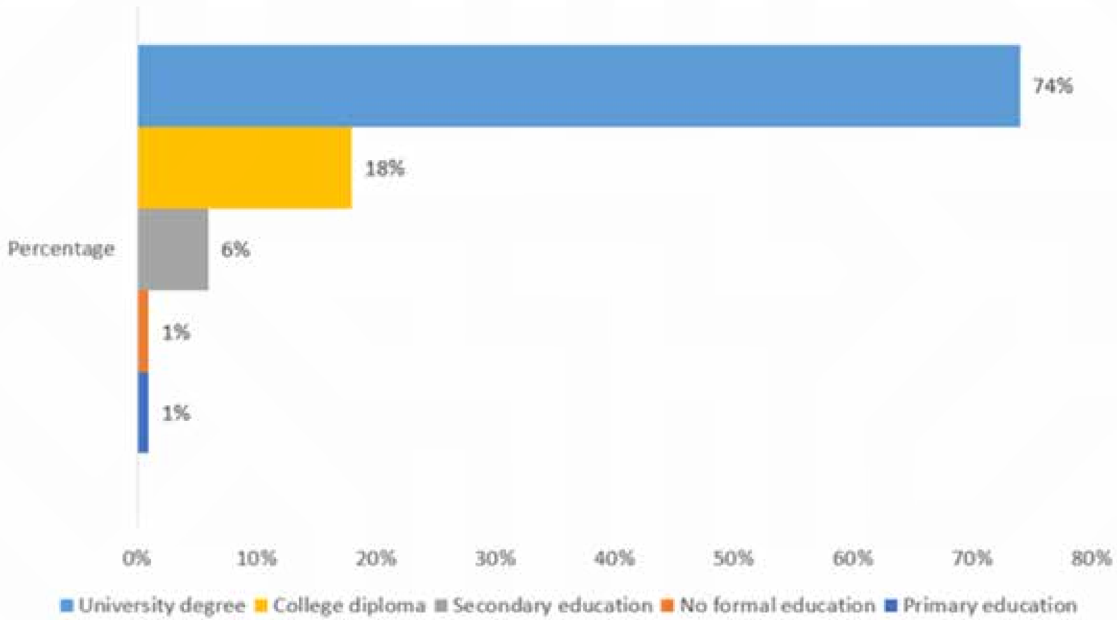


Startup founders by level of education

In 2024, data on Tanzanian startup founders showed a strong link between higher education and entrepreneurship. About 74% of founders held university degrees, positioning formal education as a major driver of startup formation. An additional 18% held college diplomas, contributing to sectors like agribusiness and logistics where technical skills were key. Together, degree and diploma holders made up 92% of founders.

Only 8% had secondary education or less, with just 1% each reporting primary or no formal education, indicating education barriers to entry. The dominance of university-educated founders also emphasized the role of universities and colleges as key ecosystem players—serving as talent pipelines, incubators, and innovation hubs.

Fig 17. Startup founders by Level of Education



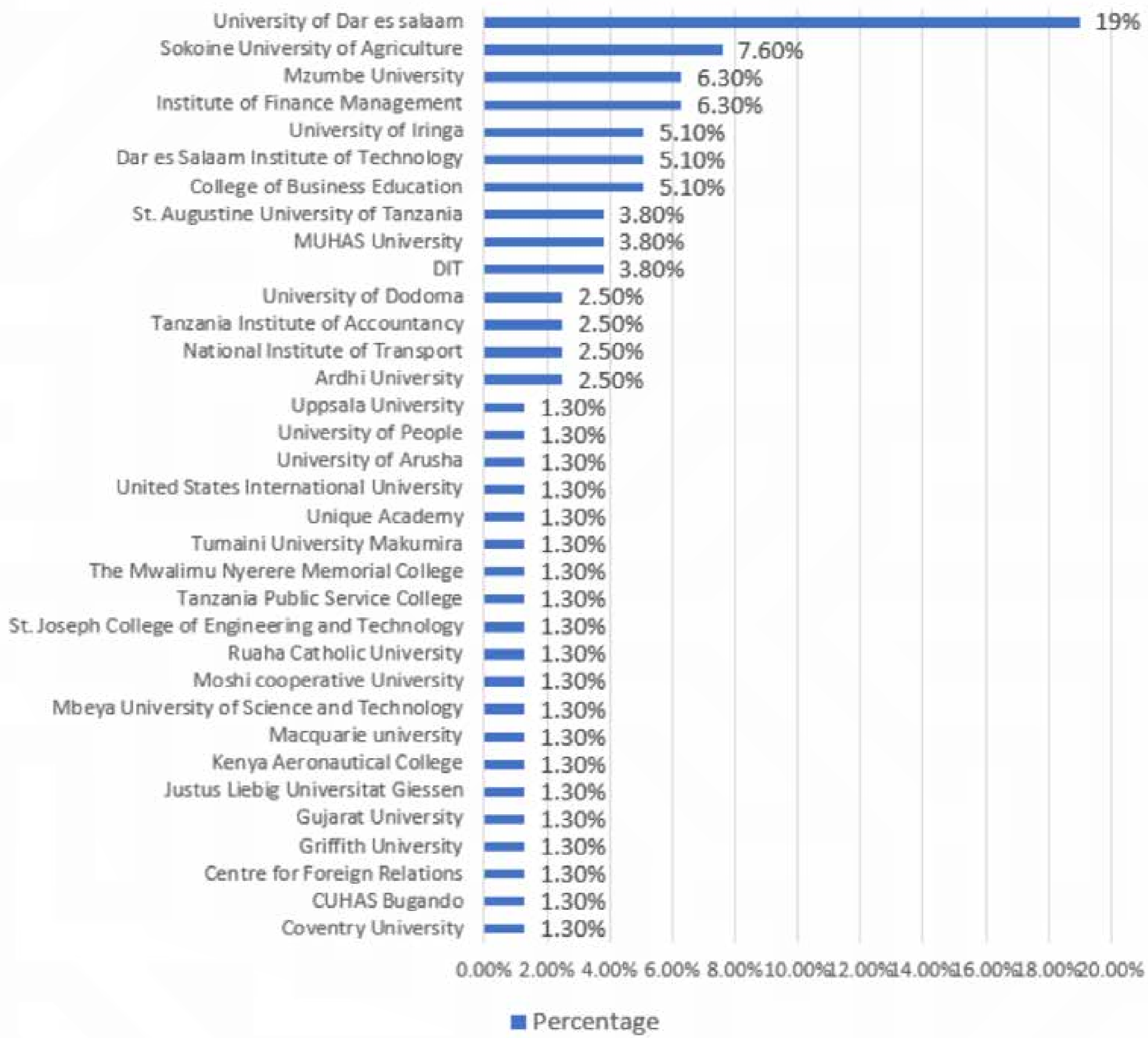
Startup founder by university attended

In 2024, over 85% of Tanzanian startup founders were graduates of local universities, reaffirming the critical role of national institutions in shaping entrepreneurship. The University of Dar es Salaam led with 19% of all founders, reflecting its strong academic base, alumni network, and investment in innovation programs.

Other notable contributors included Sokoine University of Agriculture (7.6%), Mzumbe University and the Institute of Finance Management (6.3% each), and institutions like CBE, DIT, and the University of Iringa (each at 5.1%), showing the relevance of business, tech, and applied sciences in startup formation.

Mid-sized universities such as MUHAS, Ardhi, and St. Augustine contributed between 2.5% and 3.8%, highlighting the diversity of academic backgrounds in the ecosystem. Internationally educated founders, though fewer, added global perspectives, with alumni from Coventry, Griffith, Macquarie, Gujarat, and Uppsala universities each making up 1.3% of founders.

Fig 18. Startup Founders by university Attended

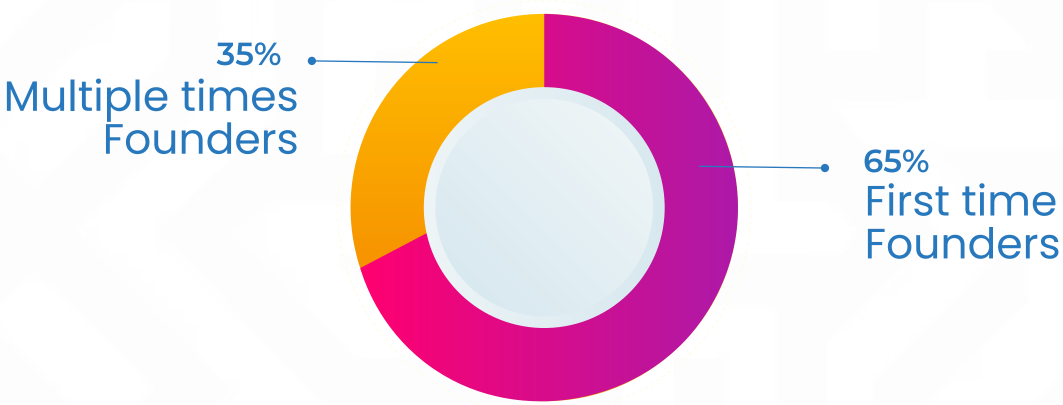


Founders by Entrepreneurship Experience

The 2024 data reveals that a majority of Tanzanian startup founders are entering the ecosystem as first-time entrepreneurs, with 65% founding their very first venture. This highlights the fresh and emerging nature of Tanzania's startup landscape, where many individuals are exploring entrepreneurship as a new pathway, often driven by opportunity, necessity, or youth-led innovation programs.

On the other hand, 35% of founders are multiple-time entrepreneurs, indicating a growing segment of experienced founders who are re-entering the ecosystem with stronger networks, refined skills, and potentially higher resilience. This group is essential for ecosystem maturity, as serial founders often go on to mentor others, invest in new ventures, or launch more scalable businesses.

Fig 19. Startup Founders by Entrepreneurship Experience



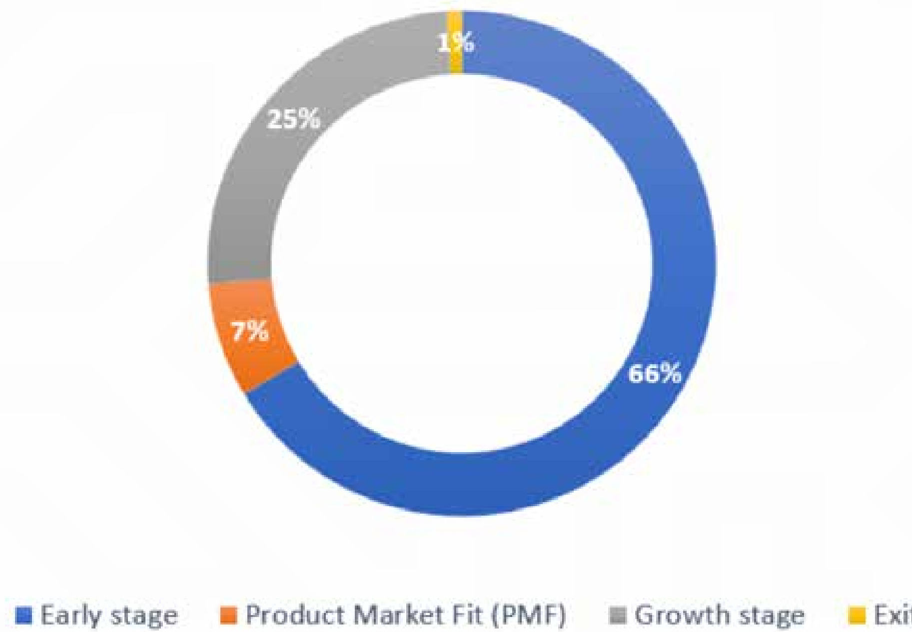
Startup Growth stages

In 2024, 66.36% of Tanzanian startups were in the early stage, reflecting a young ecosystem dominated by ventures in ideation, validation, or prototype phases. These startups were mostly pre-revenue and depended on grants, competitions, or bootstrapping, highlighting limited scalability readiness.

7.37% had reached Product Market Fit (PMF), having validated their business models and gained consistent customer traction. This small share revealed a bottleneck in transitioning from early development to market demand, impacting investor interest.

Meanwhile, 25.35% of startups were in the growth stage, showing that once PMF was achieved, startups were more likely to scale, attract investment, and create jobs. Just 0.92% had reached the exit stage, underscoring underdeveloped exit pathways and limited acquisition or IPO activity in the ecosystem.

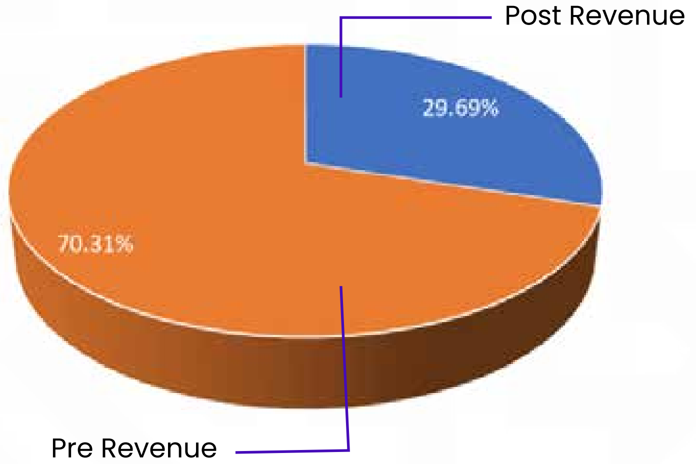
Fig 20. Startups by Growth Stage



Distribution of Tanzanian Startups by Revenue Stages (2024)

In 2024, 70.3% of tracked Tanzanian startups were still pre-revenue, underscoring an ecosystem dominated by very early-stage ventures that were testing product–market fit rather than generating sales. Only 30% had crossed the revenue threshold, signaling limited but important proof points for investors and policymakers. This imbalance highlighted an urgent need for seed funding, accelerator support, and market-access initiatives to shorten the path to first revenue and build a stronger pipeline of scale-ready companies.

Fig 21. Startups by Revenue Stages



Startup Registration status

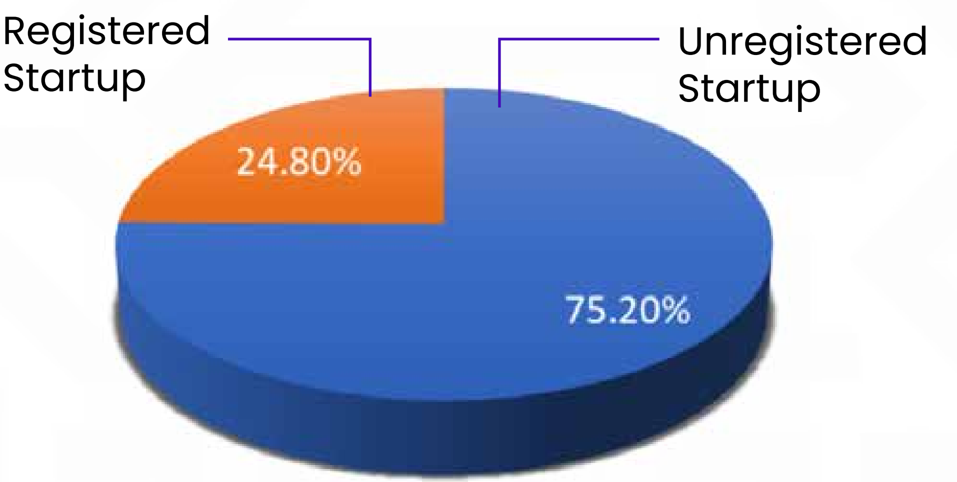
The 2024 data reveals that 75.2% in the Tanzanian ecosystem are formally registered, while 24.8% remain unregistered. This relatively high registration rate reflects increasing awareness among founders of the importance of legal identity for accessing markets, funding, partnerships, and support services.

Registration is often a prerequisite for participation in government programs, investor engagement, and regulatory compliance making it a critical milestone in a startup's development journey.

However, the fact that nearly 1 in 4 startups remain unregistered is a significant concern. The most frequently cited barrier to registration is financial constraint, indicating that the cost of business registration, whether through fees, legal processes, or documentation requirements remains a hurdle, especially for early-stage and bootstrapped entrepreneurs. This highlights an area where administrative and financial reforms could help reduce entry barriers for startups, particularly those led by youth or operating in underserved regions.

The lack of registration can limit a startup's ability to formalize operations, open bank accounts, secure contracts, and apply for grants or investor funding. It also poses a challenge for ecosystem mapping, data tracking, and public-private engagement, as these startups often remain invisible to national innovation registries and support systems.

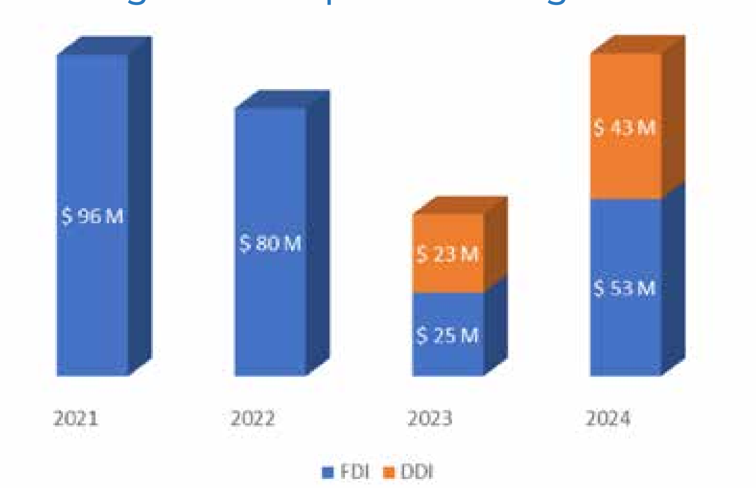
Fig 22. Startups by Registration Status



Funding and Investment landscape

"Tanzania's startup funding rebounded in 2024, with FDI more than doubling and DDI nearly doubling—driven largely by stronger local bank participation, led by NMB Bank. Despite this growth, funding remained concentrated at the growth stage. To bridge the early-stage gap, efforts must improve pipeline quality, investment readiness, and funding infrastructure—aiming to convert at least 50% of early-stage startups into growth-stage ventures.

Fig 23. Startup Fundraising 2024



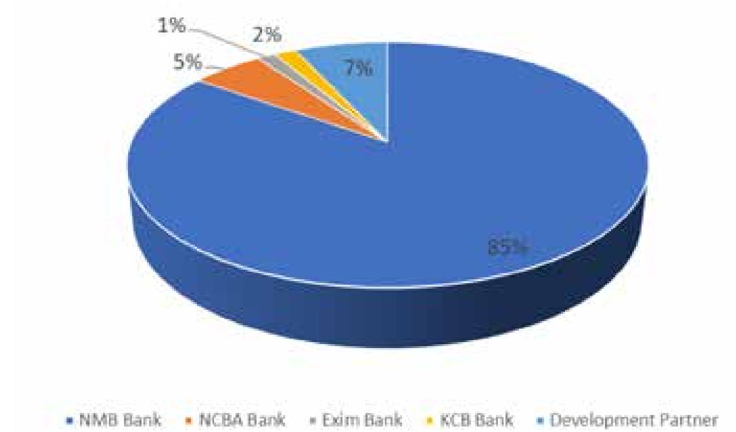
Foreign Direct Investment (FDI)

According to Big delas Africa FDI remained the dominant source of startup capital in Tanzania in 2024, rebounding from a low of USD 25 million in 2023 to at least USD 56 million across 27 deals. However, this capital was concentrated in later-stage ventures—mainly startups that had achieved Product Market Fit (PMF) or entered the growth phase—leaving early-stage ventures underserved.

Domestic Direct Investment (DDI)

In 2024, Domestic Direct Investment (DDI) played a pivotal role in Tanzania's startup ecosystem, According to the Bank of Tanzania (BoT) MSME loans and credit guarantees issued, adjusted for 10% as per Emerging-market baseline (global sample, incl. Africa) World Bank startups received an estimated USD 43.4 million deployed through formal deals and bank-facilitated lending. Leading this effort was NMB Bank, which alone contributed over USD 36.8 million, accounting for more than 85% of all startup-aligned lending—firmly positioning it as Tanzania's most committed institutional supporter of early-stage ventures. This total also includes USD 3 million invested in 37 early-stage deals and contributions from NCBA, Exim, and KCB banks. The estimate reflects a 10% startup-adjusted lending ratio, guided by World Bank benchmarks for emerging markets. To fully unlock the power of domestic capital, improved reporting, greater visibility, and strengthened early-stage financing infrastructure are essential.

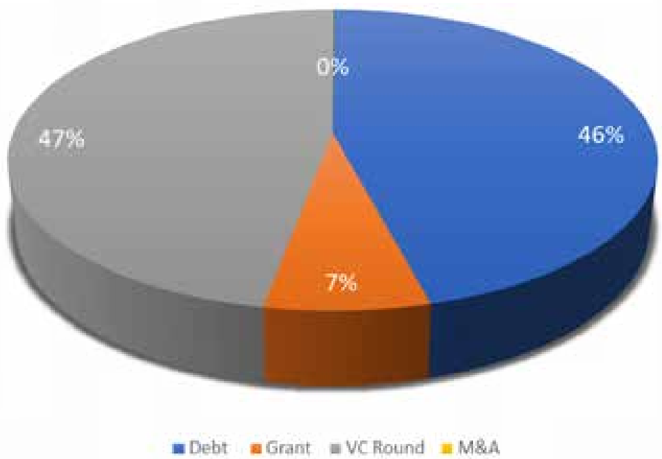
Fig 24. Startup Domestic Funding Sources 2024



Tanzania Startup Funding by Deal Type (2024)

In 2024, Tanzania's startup funding mix became more balanced, with Venture Capital leading at 47.03% and debt financing close behind at 45.92%, signaling growing acceptance of loan-based capital. Grants accounted for 6.95%, while M&A activity was minimal at 0.10%, highlighting a maturing ecosystem but also the need for broader funding instruments and stronger exit pathways

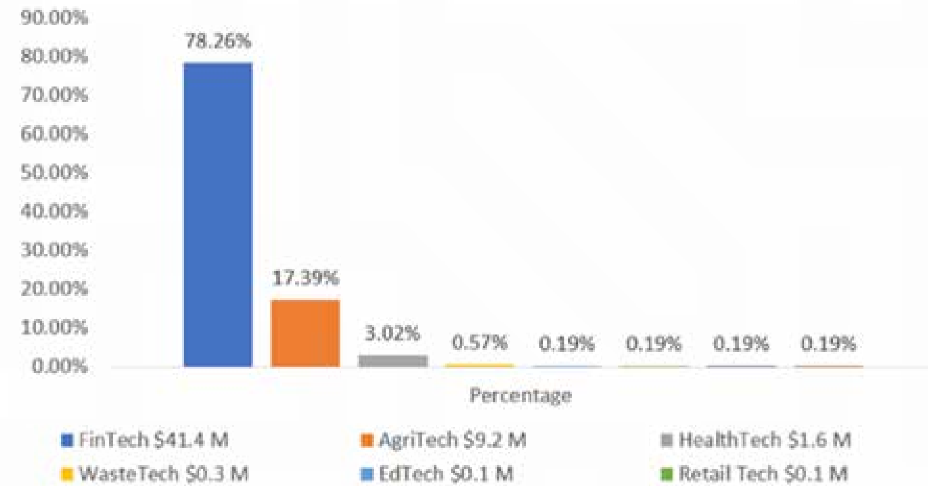
Fig 25. Startup Funding by Deal Types



Startup Fundraising by Sectors

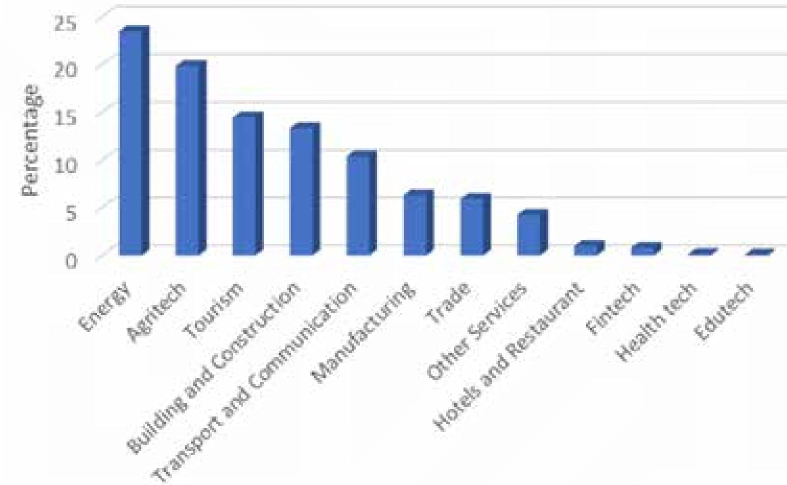
In 2024, Tanzania's FDI-backed startup funding became heavily concentrated, with FinTech attracting $41.4 million—a dominant 78.3% of the total $53 million raised—marking a sharp shift from 2023 when HealthTech led the market. AgriTech followed with $9.2 million (17.4%), reflecting sustained investor interest in food security solutions. Other sectors, including HealthTech, EdTech, RetailTech, WasteTech, Energy & Water, and Logistics, collectively received less than $0.5 million, underscoring a focused investor preference toward more mature and scalable sectors.

Fig 26. Startup Foreign Funding by Sector



In 2024, on the contrary, domestic startup lending in Tanzania—totaling USD 40.4 million—was heavily directed toward Energy (23.5%) and Agritech (19.9%), reflecting local priorities in infrastructure and food security. Other notable sectors included Tourism (14.5%), Building & Construction (13.3%), and Transport & Communication (10.4%). In contrast, innovation-driven sectors like Fintech, HealthTech, and Edutech received less than 2% combined, highlighting their continued reliance on foreign capital—mirroring the trend seen in FDI, where Fintech and Agritech also dominated investment flows.

Fig 27. Startup Domestic Funding by Sectors



Investing countries/Entities in Tanzania Startups

The Tanzanian startup ecosystem has increasingly captured the interest of a diverse group of international investors and development-focused entities, reflecting growing confidence in the country's entrepreneurial potential. The presence of capital providers from North America, Europe, Africa, and Asia-Pacific demonstrates not only cross-border investor appetite but also the global relevance of the challenges Tanzanian startups are solving particularly in financial inclusion, agriculture, energy, and digital access.

Key international entities that have invested in Tanzanian startups include development finance institutions, venture capital firms, and impact-driven funds. For instance, DEG Germany (Cologne) and EDFI AgriFI (Brussels) represent the growing involvement of European DFIs seeking to strengthen agribusiness and inclusive infrastructure. Similarly, USAID (Washington D.C.), a longstanding development partner, has continued to support scalable innovations with social impact, especially in health and agriculture.

From the venture capital space, entities like DST Global (Cayman Islands) and Coinbase Ventures (San Francisco) indicate rising interest in tech-enabled and fintech solutions. Their involvement signals that some Tanzanian startups are achieving the scale, traction, and market sophistication needed to attract institutional capital typically reserved for more mature ecosystems.

Other sector-specific funds such as the Sanofi Global Health Unit Impact Fund (Paris) and the GSMA Innovation Fund (London) focus on supporting startups in healthcare access and mobile-enabled services, respectively. These targeted investments reflect global trends toward impact-aligned innovation and digital public goods. Moreover, new players such as Untapped Global (San Francisco), which uses revenue-based financing models, and Catalyst Fund (New York), which focuses on inclusive fintech, signal the evolution

Fig 25. Startup funding by deal types

Entry Name	HQ	Countruy
DEG Germany	Cologne	
USAID	Washington D.C	
Efficiency for Access Research and Development Fund	Loughborough	
DST Global Series A funding	Cayman Islands	
Untapped Global	San Francisco	
Catalyst Fund	New York	
Coinbase Ventures	San Francisco	
GSMA Innovation Fund	London	
EDFI	Brussels	
Auto24	Sydney	
Sanofi Global Health Unit Impact Fund	Paris	

Startup Exit

“The lack of significant exit activity in Tanzania since the KopaGas deal underscores the ecosystem’s early stage of evolution. To build a mature and self-sustaining innovation economy, stakeholders must prioritize exit-oriented growth strategies, corporate buyer engagement, and policy frameworks that enable liquidity events ensuring that today's promising startups can become tomorrow’s success stories

As of 2024, startup exits in Tanzania remain extremely limited, with only two publicly known exit events recorded in the past five years. The first was the acquisition of KopaGas in 2020, a landmark merger and acquisition (M&A) deal valued between USD 10 million and 50 million, involving InfraCo Africa and other international partners. The second known exit was the acquisition of Kupatana, a local online classifieds platform, which also occurred through M&A, but at a significantly smaller value bracket between USD 100,000 and 500,000.

Since the KopaGas acquisition in 2020, Tanzania has not witnessed any exit event of similar scale or strategic significance. This signals a structural gap in the ecosystem: while startup formation and early-stage funding have grown, the absence of high-value exit activity reflects a missing top layer in the capital and growth continuum. Exits are critical not only as a return mechanism for investors but also as a maturity signal for the ecosystem, incentivizing risk capital, motivating founders, and generating liquidity that can be reinvested into new ventures.

The absence of strong exit pathways poses several implications. For investors, especially venture capital funds, exits are the primary means of realizing returns. Without them, many investors hesitate to engage, particularly at later stages. For founders, the prospect of an exit serves as a major incentive to scale and optimize value creation. Moreover, for the broader ecosystem, a vibrant exit landscape attracts international attention, increases investor confidence, and demonstrates startup viability beyond early-stage experimentation.

The current data suggests that most Tanzanian startups are still navigating early or growth stages, with few having reached the scale or traction required to become viable acquisition targets. This reality, while expected in a young ecosystem, underscores the need for deliberate efforts to nurture exit readiness. These may include fostering corporate-startup partnerships, promoting cross-border M&A opportunities, and developing secondary markets or IPO pathways. Additionally, support for startups to scale beyond local markets and deepen their value propositions will increase their attractiveness for acquisition or listing.

Showcasing Tanzania Startup Week

Tanzania Startup Week 2024 (TSW2024) took place from 16–20 December 2024 at the University of Dar es Salaam, bringing together 2,952 participants (1,842 in person and 1,090 virtually) from 5 countries (Tanzania, Uganda, South Africa, USA, and Canada). Co-organised by the Tanzania Startup Association (TSA), the President's Office – Planning and Investment, the Ministry of Finance, the Tanzania Investment Center (TIC), the Capital Markets and Securities Authority (CMSA), Sahara Ventures, and Smart Africa Group (SAG), TSW2024 served as a premier platform to foster innovation, investment, and policy reform within Tanzania's growing startup ecosystem.

TSW2024 aligns with Tanzania's broader pursuit of inclusive economic growth, guided by Vision 2025/2050. By hosting a series of keynotes, panels, and pitch competitions, TSW2024 fostered synergy among entrepreneurs, investors, and the public sector, advancing the mission to amplify high-potential ventures and champion progressive policies that build a robust, innovation-driven economy.

Highlights

- 5 DAYS
- Co-organisers 7
- 15 Sponsers
- Sessions and Panels 17
- 41 Keynote speakers and Panelist
- Startup pitches 30
- 23 Startup Booth
- Corporate booths 41

Key Themes Addressed

Investment Facilitation: Venture capital, gender-lens investing, PE/VC strategies.

Regulatory Innovation: Fintech sandbox, M&A compliance, Startup Policy.

Ecosystem Growth: Academic-industry partnerships, regional innovation hubs.

Technology: Digital transformation, AI tools for business scalability.

Inclusivity: $30M Afrishela Fund for women/youth-led ventures.

Notable Speakers

Dr Dotto Mashaka Biteko,
Deputy Prime Minister (Representing H.E. Dr Samia Suluhu Hassan, President of Tanzania)

Hon. Jerry Silaa,
Minister of Communication and Information Technology

Hon. Stanislaus Nyongo,
Deputy Minister for President's Office for Planning & Investment, Representing Prof. Kitila Mkumbo, Minister for President's Office for Planning & Investment.

Themes Per Days

Day 1	Day 2	Day 3	Day 4	Day 5
Investment Readiness & Regulatory Foundations (2 sessions)	Funding Strategies & Innovation (6 sessions)	Strategic Growth & Market Expansion (4 sessions)	Innovation & Collaboration (3 sessions)	Reflection, Growth, and Celebration (2 sessions)

Attendance overview

Attendance Overview

1,842
Physical Participants

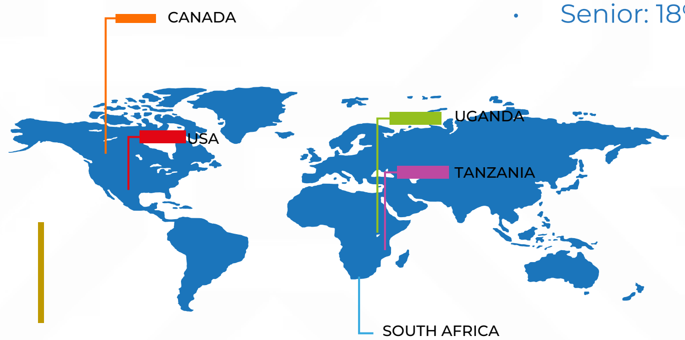
1,000 VIEWS
on the YouTube Livestream

699 startups represented
(across fintech, agritech, healthtech, and renewable energy)

73 senior government officials, including ministers and regulatory heads.
75 development partners,
41 capital providers
300+ daily attendance
368 average turnout per session
Countries Represented: Tanzania, Uganda, South Africa, USA, Canada

Attendance Gender Distribution

Male: **66%**
Female: **34%**



Attendance Seniority Level

- Junior: 52% (Students, graduates, interns, entry-level roles)
- Mid-Level: 30% (Managers, specialists, project leads)
- Senior: 18% (CEOs, Founders, Directors, C-suite)

Attendance Age Range Distribution

- 15–24 years: 47%
- 25–35 years: 35%
- 36–45 years: 13%
- 46+ years: 5%

Audience Geographic Distribution

Urban Dominance
(Dar es salaam, Mwanza, Arisha) | **65%**

Audience Demographics

Age: 70% under 40 yrs (youth-focused platforms)
Gender: Balanced overall (52% Male, 48% Female).
Socioeconomic: 60% middle-income, 30% upper-income.

Print Media Coverage

Total Media Houses: 4
Total Articles: 8 (2 articles per outlet)
Total Print Audience Reach: 302,600

Broadcast Media Coverage (TV & RADIO)

8 **Media Houses**

Broadcast Mentions: 16 (Sum of TV/radio features)
TV Viewership: **4,750,000**
Radio Listenership: **13,000,000**
Estimated Broadcast Audience Reach: **17,750,000**

Sponsors

1. Government/Regulator (5 sponsors | 33.33%):

i. Fair Competition Commission (FCC)
ii. National Economic Empowerment Council (NEEC)
iii. Universal Communications Service Access Fund (UCSAF)
iv. Tanzania Communications Regulatory Authority (TCRA)
v. University of Dar es Salaam

2. Philanthropy (3 sponsors | 20%):

i. Fondation Botnar
ii. Segal Family Foundation
iii. Graça Machel Trust

3. Development Partners (2 sponsors | 13.33%):

i. World Bank
ii. Swiss Embassy in Tanzania

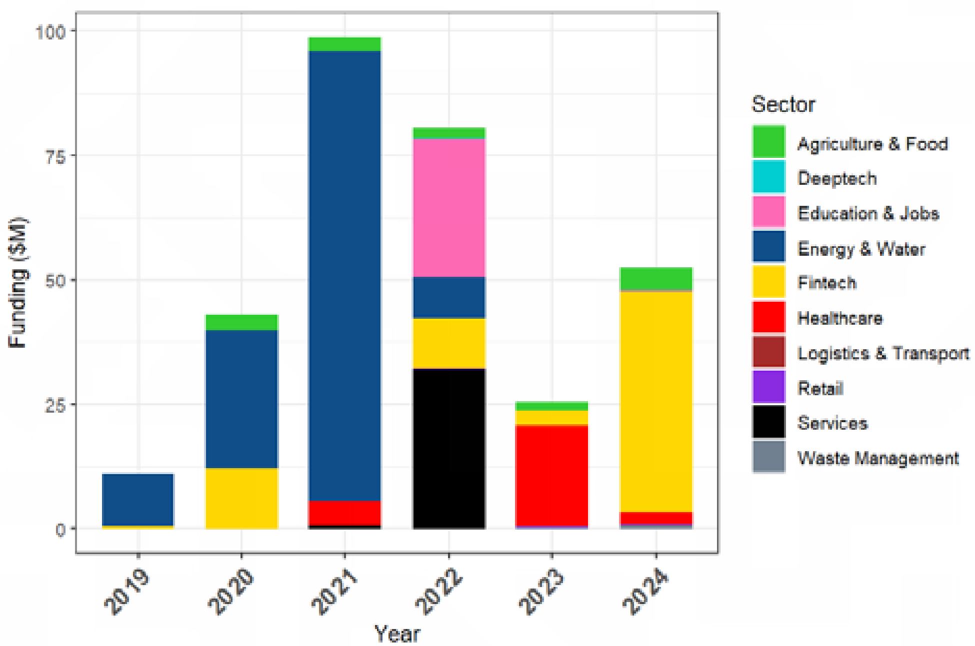
4. Private Sector (5 sponsors | 33.33%):

i. NMB Bank PLC
ii. Tanzania Private Sector Foundation (TPSF)
iii. Infocus Studios
iv. Mtabe Innovations
v. The Citizen

Key Industry Trends in Tanzania's VC Funding by Sectors

From 2019 to 2024, Tanzania's startup ecosystem has witnessed significant shifts in sectoral funding trends, reflecting both local innovation maturity and evolving global investor priorities. While the earlier years showed scattered and exploratory investments across sectors, recent trends have consolidated around a few high-performing verticals. Notably, FinTech, Energy & Water, and Healthcare emerged as the top-funded sectors during this period, each undergoing distinct phases of growth, decline, or transformation.

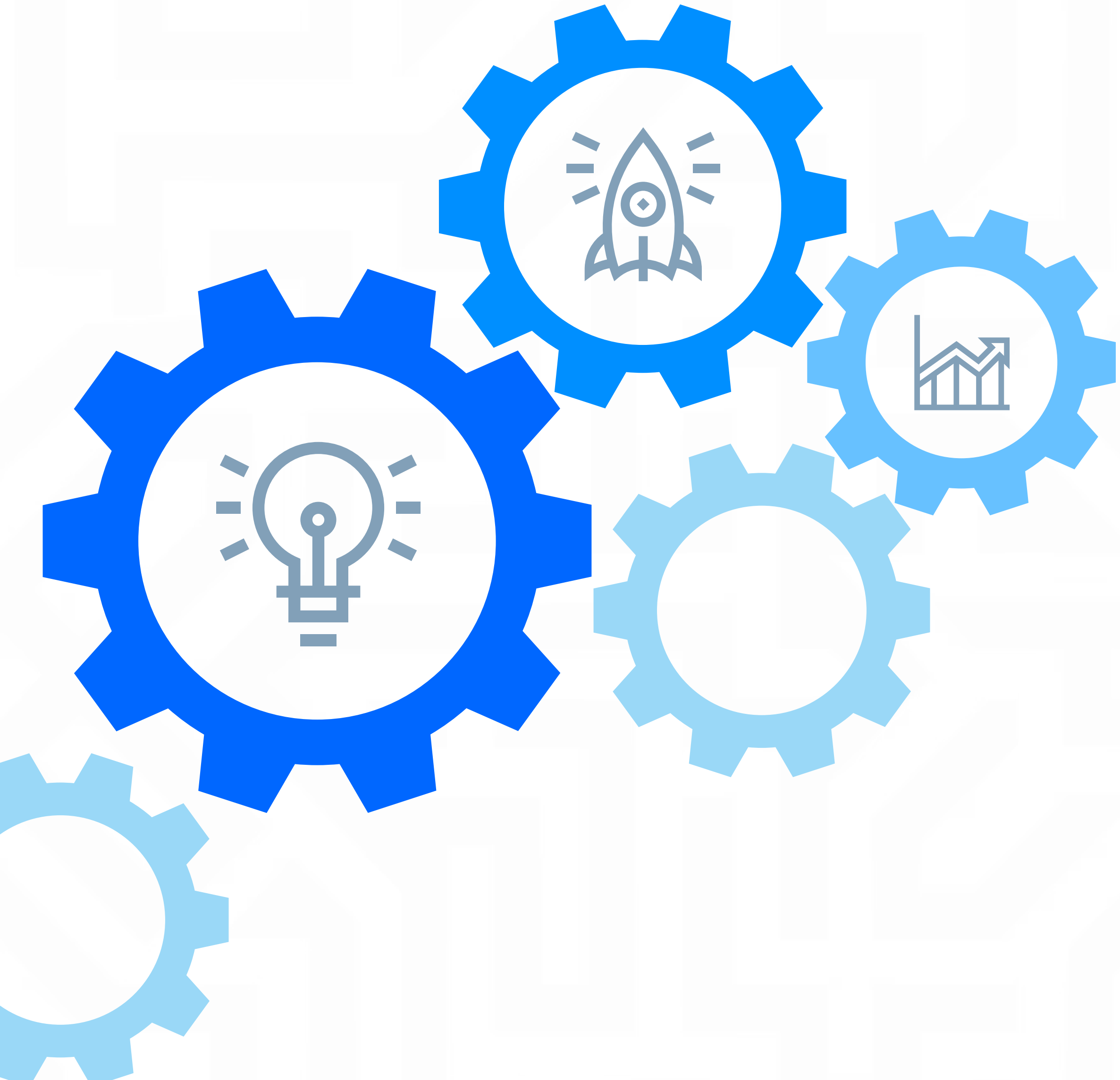
Fig 26. Startups VC Funding Trend by Sector



FinTech has steadily risen to become the dominant sector in Tanzania's startup ecosystem, culminating in a record $44.3 million in 2024 alone. This surge has been driven by scalable, high-traction ventures like NALA, which closed a significant $40 million Series A, and Umoja, which raised $4 million to expand decentralized financial access. These ventures are not only solving critical financial infrastructure gaps but are also attracting top-tier global investors such as DST Global, Coinbase Ventures, and Amplo. The FinTech landscape in Tanzania has evolved from basic mobile payments to include programmable banking APIs (e.g., Tembo) and blockchain-enabled credit systems, reflecting a maturing financial services market aligned with global digital finance trends.

In contrast, Energy & Water, which saw a major peak in 2021 with Zola Electric's $90 million raise, has experienced a significant decline in funding—dropping to just $0.1 million in 2024. This early momentum was largely driven by climate-focused off-grid solutions like KopaGas, Jaza, and Solaris Offgrid, all of which introduced scalable models in clean energy delivery. However, the current slowdown may reflect fewer investment-ready ventures, or a strategic reallocation of capital to faster-return sectors. Despite the decline, energy remains a foundational need, and the right support could revive innovation and attract renewed interest.

Healthcare has demonstrated consistent growth, particularly from 2021 onward. The standout deal in 2023 was Africa Healthcare Network's $20 million Series B, highlighting investor interest in health infrastructure and access. Startups like Dawa Mkononi and Medikea have emerged with strong models in digital pharmaceutical distribution and telehealth, targeting underserved populations. The growing presence of investors like Sanofi Global Health Unit Impact Fund and Catalyst Fund in this space underscores the sector's alignment with global health priorities and its potential for scalable impact.



Beyond these top three sectors, emerging areas are gaining traction, especially those aligned with global themes such as climate resilience, food security, and inclusive education. Waste Management, for example, is now on the radar due to innovative ventures like BioBuu, which transforms organic waste into animal feed and has secured multiple rounds of funding from USAID and Catalyst Fund. Similarly, Agriculture & Food continues to attract consistent capital, with startups like East Africa Fruits, MazaoHub, and SimuSolar integrating logistics, AI, and IoT to solve post-harvest loss and input distribution challenges. In 2024 alone, this sector raised $4.6 million, reinforcing its role in both economic development and climate adaptation.

Education & Jobs is also a promising sector. In 2022, Ubongo raised $27.8 million to expand its edutainment model across Africa, while newer ventures like Silabu are experimenting with peer-to-peer digital learning platforms tailored to African youth. These innovations reflect growing investor recognition that talent development and skills training are as critical as infrastructure.

In summary, Tanzania's sectoral funding trends from 2019 to 2024 reveal a shift from experimentation to consolidation, with FinTech leading in maturity and capital attraction, while HealthTech and AgriTech continue to demonstrate strong potential. At the same time, newer sectors like WasteTech and EdTech are beginning to emerge, albeit with smaller but strategic investments. To sustain this growth and diversify investment flows, the ecosystem must focus on strengthening underfunded verticals, improving startup readiness, and aligning local solutions with global impact themes.

Case Study: Bridging Early-Stage Startup Funding Gaps – Evidence from the UK (London)

"The UK converts 58% of seed-funded firms to Series A within three years; Tanzania's conversion for 2024 was estimated at 0.001%, reflecting funding scarcity and support gaps.

Introduction

According to Startup-Coalition-Report and UK business Angel Association In 2024 the United Kingdom attracted £2.1 billion in early-stage equity through the Enterprise Investment Scheme (EIS) and £157 million through the Seed Enterprise Investment Scheme (SEIS) alone, dwarfing Tanzania's disclosed early-stage deal volume of $53 million equivalent to £40million. The disparity is rooted not in entrepreneurial capacity but in policy architecture: London's ecosystem has enjoyed three decades of carefully sequenced tax incentives, public co-investment, and R&D support, whereas Tanzania's policy toolkit remains nascent.

2. Historical Policy Timeline

Year	UK Mileston	Policy Objective	Pre-policy Funding Gap
1994	Enterprise Investment Scheme (EIS) launched	Unlock growth-stage equity via 30% income-tax relief	<£200m p.a. in angel/VC activity
2000	R&D Tax Credit introduced	Offset R&D spend (cash rebate up to 33%)	UK corporate R&D intensity <1% of GDP
2003	Global Entrepreneur Programme (GEP)	Attract overseas founders & IP	Limited foreign--founded scale-ups
2012	Seed Enterprise Investment Scheme (SEIS)	De-risk pre-seed capital via 50% tax relief	Sub-£100m seed market
2014	British Business Bank (BBB) created	Crowd-in private capital with public co-investment	Fragmented regional finance, thin VC presence
2024	Extension of EIS / VCT to 2035	Long-term certainty for investors	—

Key Funding Mechanisms & 2024 Performance

3.1 Seed Enterprise Investment Scheme (SEIS)
In the 2022/23 tax year, the Seed Enterprise Investment Scheme granted investors 50% income-tax relief and a full capital-gains-tax exemption on shares held for three years, within an annual investment cap of £200000; these incentives attracted £157million in capital and enabled funding for 1815 early-stage companies.

3.2 Enterprise Investment Scheme (EIS)
Under the Enterprise Investment Scheme in 2022/23, investors enjoyed a 30% income-tax relief, loss relief, and capital-gains-tax deferral on qualifying shares, with an annual cap of £1million per investor (rising to £2million for Knowledge-Intensive Companies); these incentives drew in £1.96billion of capital and financed 4,205 growth-stage businesses.

"Impact: Since 1994, EIS & VCTs have channelled £41bn into >36,000 companies, catalysing the UK's unicorn pipeline.

3.3 British Business Bank (BBB)
Between 2014 and 2024, the British Business Bank mobilised £32billion in combined public and private funding, supported around 209,000 small and medium-sized enterprises, and helped sustain or create approximately 2.5million jobs across the United Kingdom

"Impact: BBB acts as a market-maker, co-investing with 220+ funds and delivering targeted regional vehicles such as the £660m Northern Powerhouse Fund II.

3.4 R&D Tax Credits
In the 2022/23 tax year, UK businesses claimed a total of £7.5billion in R&D tax relief, of which small and medium-sized enterprises accounted for £4.5billion.

Impact: Cash rebates improve runway; 26,000 startups claimed relief in 2023, stimulating £46.7bn in qualifying R&D spend. citeturn2search1

3.5 Global Entrepreneur Programme (GEP)
Since its launch in 2003, the UK's Global Entrepreneur Programme has attracted and relocated more than 1,000 high-growth startups to the country, enriching the local innovation ecosystem with international talent and investment.

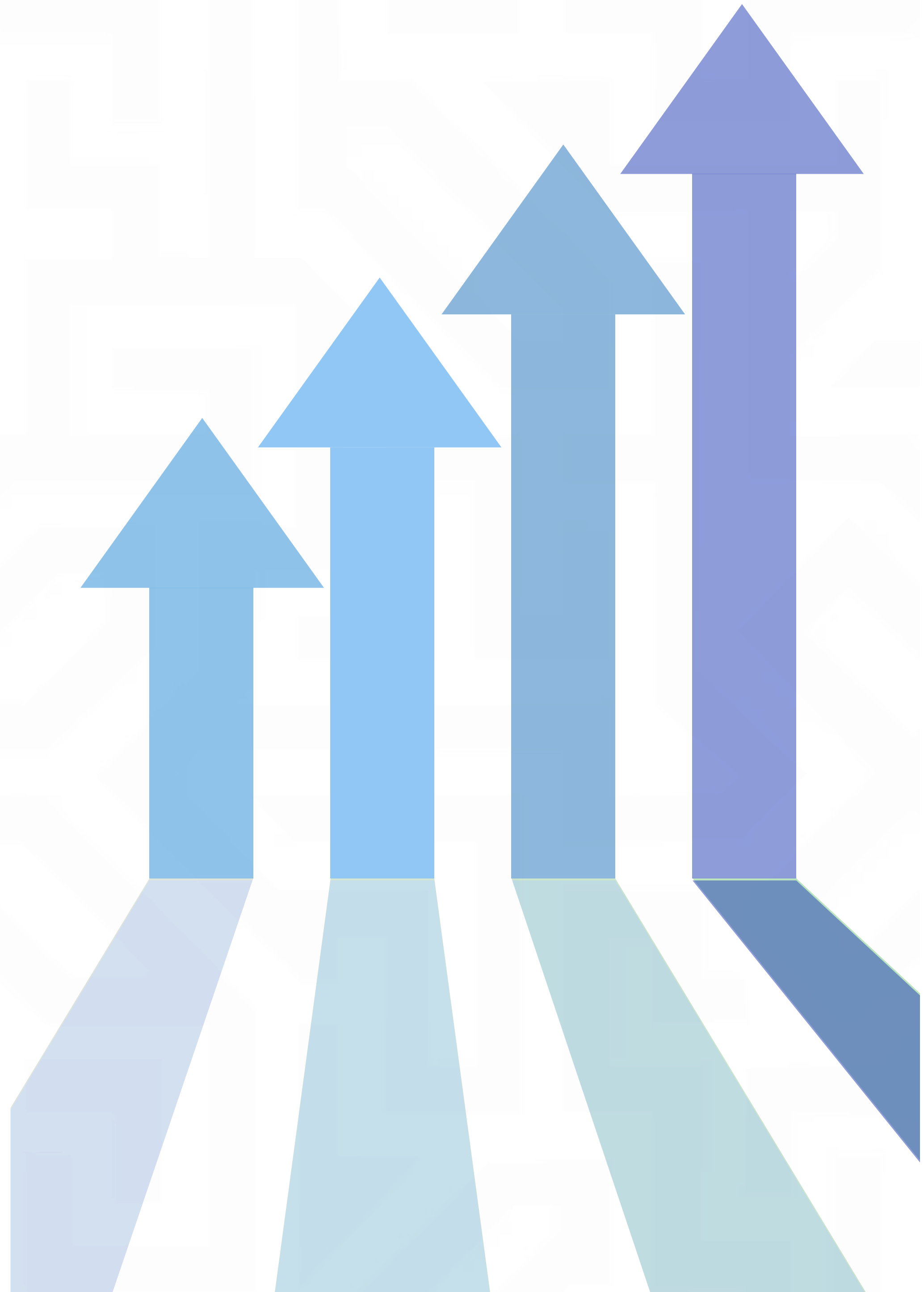
Impact: Injects global talent and cross-border investment, reinforcing London's dominance.

4. Outcomes & Ecosystem Impact (2024)

Metric	United Kingdom	Tanzania
Early-stage equity (<SeriesA)	£2.26bn (SEIS+EIS)	£40m (≈US 53m)
Avg. Seed Round Size	£1.4m	US$300k
Share of VC to GDP	0.77%	NA
Global Ecosystem Ranking	#3 (London)	#117

Lessons for Tanzania

Gap Identified	UK Solution	Adaptation for Tanzania
High angel risk aversion	SEIS 50% tax relief	SEIS-TZ with 50% PIT rebate, TZS100m cap
Growth-stage equity void	EIS 30% relief up to £1m	EIS-TZ 30% relief up to TZS1bn
Fragmented public finance	BBB co-investment & regional funds	NVCPEF capitalised at TZS500bn
Low R&D intensity	R&D tax rebate (up to 33%)	20% R&D cash credit for registered startups
Limited global talent	GEP relocation support	Visa-fast-track + tax holiday for foreign founders



Call to Action

"Projected Five-Year Impact: Implementing SEIS-TZ, EIS-TZ, NVCPEF, and R&D credits could mobilise TZS400bn (≈US$160m) in new early-stage capital, closing 60% of Tanzania's annual funding gap and improving its global ecosystem rank into the top-50.

- **First, Fast-track the National Startup Policy and incentive framework.**
- Target metrics: launch a single-window digital portal that consolidates all tax, licensing, and regulatory incentives for startups.
- *Outcome:* Policy clarity is expected to lift Tanzania's Ease-of-Doing-Business ranking by 20 positions and boost new-startup registrations by 40% within two years.
- **Complete and operationalize the National Venture Capital & Private Equity Fund (NVCPEF) — Tanzania's equivalent of the British Business Bank.**
- *Capitalization goal:* TZS500 billion (~US$200million) seeded on a 1:1 public-private co-investment basis.
- *Deployment target:* Disburse TZS 100billion into ≥150 startups over the first three years, leveraging an additional TZS300 billion in private capital.
- *Benchmark:* BBB channelled £1.9billion into UK startups in 2024, driving a 25% rise in early-stage deal volume.
- **Launch a Seed Enterprise Investment Scheme (SEIS-TZ).**
- *Incentive design:* 50% income-tax relief on investments up to TZS200million per investor per year, plus 0% capital-gains tax on exits after three years.
- *Impact targets:* Mobilise TZS50billion (≈US$20million) in angel capital annually and raise pre-seed/seed deal count to 100 deals per year by 2028.
- **Introduce an Enterprise Investment Scheme (EIS-TZ) for growth-stage capital.**
- *Incentive design:* 30% income-tax relief on investments up to TZSbillion per investor annually, with loss relief and capital-gains deferral.
- *Impact targets:* Unlock TZS150billion (≈US$60million) in Series A/B funding each year and double median round size from US$2million to US$4million within four years.

Projected Ecosystem Impact: These four measures—modelled on the UK's SEIS, EIS, and BBB successes—are forecast to close Tanzania's early-stage funding gap (currently ~US$120million per annum) by 60% over five years, catalysing a more resilient, innovation-driven startup landscape.

Insights on Other Ecosystem Domains

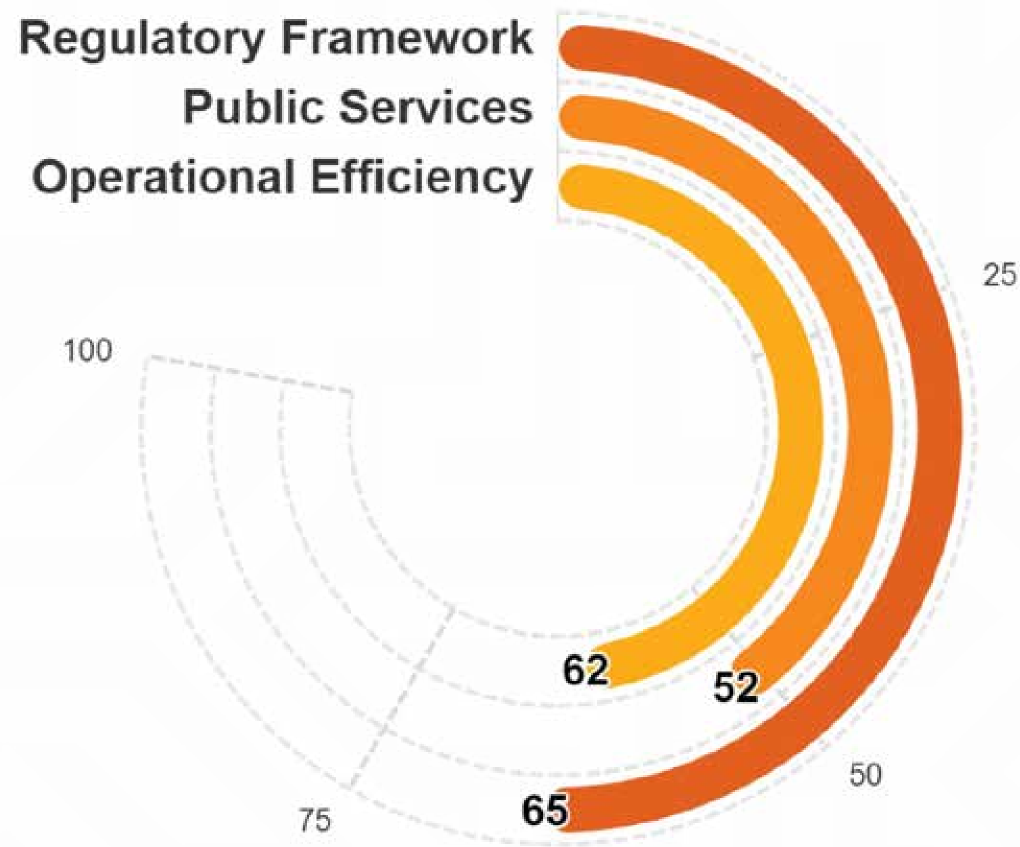
How Business Ready is Tanzania?

According to the World Bank's Business ready report 2024, Tanzania scores highest in Utility Services, Business Entry, and Labor. Within these areas, the economy offers digital services and interoperability for the electricity sector, adheres to best practices for beneficial ownership filing requirements, and follows good practices in its mechanisms for resolving labor disputes.

Tanzania scores lowest in Business Insolvency, Market Competition, and Business Location. Within these areas, the economy does not have operational digital services for liquidation and reorganization, lags in addressing the gender gap in government suppliers, and lacks a building energy code and standards.

In 2024, nearly one in four startups (24.8%) remained unregistered, a gap that, if addressed, could further strengthen the ecosystem. Financial constraints and required business address persist as the primary barriers, particularly for early-stage, rural and bootstrapped founders. Streamlining costs, expanding fee waivers for youth entrepreneurs, and enhancing registration support in underserved regions could help bridge this gap. Formalization unlocks critical growth opportunities to contracts, and investor funding—while improving ecosystem visibility for targeted support. Tanzania's progress in business entry lays a strong foundation. By making registration more accessible, the country can ensure even more innovators benefit from its improving business environment

Fig 27. Tanzania Overall Business Ready Scores



Infrastructure Access & Opportunities for Startup

The success and growth of startups in emerging economies like Tanzania are intrinsically linked to the availability and quality of robust infrastructure. This infrastructure encompasses not only the physical elements such as reliable power supply and efficient transportation networks but also the crucial digital backbone provided by telecommunications, internet services and flexible workspace solutions, forms a critical foundation for entrepreneurial ventures.
Comparing the findings for 2023 and 2024 regarding the infrastructural requirements startups need the most, the trends are very dynamic. The need for a private office increased slightly from 18.37% in 2023 to 21.41% in 2024. This indicates a growing necessity for startups to have dedicated and private working spaces. Also, the demand for co-working spaces remained relatively stable, with a slight increase from 13.06% in 2023 to 15% in 2024.

State of Telecommunications Infrastructure as of 2024

According to TCRA, Communicationsn Startistics Report for Q4 2024 Investment in the telecommunication infrastructure has increased the rollout of mobile broadband networks coverage and speed as shown in table below.

Fig 28. Network coverage for mobile network signal as of December 2024

S/N	Indicator	Category	March 2024		June 2024	
1	Percentage of the population covered by a mobile broadband network signal (3G, 4G or higher)	3G	88%		89%	
		4G	80%		83%	
		5G	13%		15%	
2	Percentage of Geographical coverage by mobile network signal (3G, 4G or higher)	3G	72%		73%	
		4G	64%		69%	
		5G	1%		2%	
3	Network Quality Indicator: Average download and upload speeds (in Mbit/s		**Upload speed**	**Download speed**	**Upload speed**	**Download speed**
		Mobile broadband	11.1 Mbps	11.4 Mbps	12 Mbps	12 Mbps
		Fixed broadband speed	35.1 Mbps	42.1 Mbps	35 Mbps	40 Mbps

Source: Tanzania Communication Statistics 2024

Mobile and Internet Penetration: Leveraging Tanzania’s Telecom Boom for Startup Growth

Tanzania's telecommunications landscape presents a transformative opportunity for startups, with the TCRA 2024 report revealing critical insights for strategic positioning. The market's 133% mobile penetration (86.8 million subscriptions) and 74% internet adoption (48 million users) create an unprecedented digital playground for innovators. However, the real strategic advantage lies in understanding device distribution - while 23.4 million smartphones enable sophisticated app-based solutions, the dominant 56.9 million feature phones demand alternative approaches.

This bifurcated market requires startups to develop dual-track strategies: creating high-value digital services for smartphone users while maintaining accessible USSD/SMS-based solutions for the feature phone majority.

For smartphone-focused ventures, Tanzania's improving 4G/5G infrastructure supports advanced applications in fintech, e-commerce, and digital health, particularly in urban centers. Meanwhile, the persistent feature phone prevalence opens opportunities for voice-based platforms and low-bandwidth solutions that serve rural populations and informal sectors. The 26% gap in internet penetration represents both a challenge and an untapped market - startups that develop hybrid models (combining online and offline functionality) or partner with telecom providers to bundle services can bridge this divide.

The most successful startups will be those that view Tanzania's telecom statistics not as limitations but as a roadmap for inclusive innovation. By tailoring solutions to the country's unique device distribution and connectivity patterns, entrepreneurs can build scalable businesses that serve both tech-savvy urban users and underserved populations. This approach not only ensures commercial viability but also contributes to meaningful digital inclusion, turning Tanzania's telecom growth into genuine economic transformation.

It is important to note that, through TSA advocacy, TCRA provided free communication resources including dot tz domain names, spectrum, postcodes and numbering resources in the category of VAS SMS and USSD short codes. Further, to ensure the efficient use of numbers as a nationally scarce resource TCRA has allocated special blocks of Numbers in two service categories to be used for Innovators which include: VAS SMS Short Code (146YY) and USSD Short Codes (*146*YY#). TCRA also has allocated a special domain name for the innovator which devops.tz .By December 2023 TCRA has offered a total of 11 communication resources to Innovators. Whereas nine (9) were numbering resources and two (2) were radio frequencies. TCRA has also requested Mobile Network Operators to facilitate connecting these resources for free during the testing period and three operators have agreed to provide connection for free.

Tanzania's broadband landscape has undergone remarkable transformation, with current coverage statistics reflecting significant infrastructure advancements. The latest data reveals near-ubiquitous 2G coverage at 98.2% population penetration, while 3G networks now reach 91% of citizens - a substantial improvement from previous years. Most notably, 4G availability has expanded dramatically to cover 88% of the population, representing a 33 percentage point surge from mid-2023 figures. The emergence of 5G services, already covering 20% of the population despite its recent introduction, signals Tanzania's rapid technological progression. These infrastructure gains are further amplified by growing device penetration, creating unprecedented opportunities for digital service providers. The expanded 4G footprint particularly enables data-intensive applications across sectors, while the strategic rollout of 5G positions Tanzania as an emerging hub for next-generation technologies. This comprehensive network coverage growth demonstrates the country's commitment to building robust digital infrastructure that supports both current needs and future innovation potential.

Strategic Recommendation Action Plan

STAKEHOLDER: MICT(Ministry od Information, Communication and Technology)						
Stakeholder/Domain	**Domain**	**Issue**	**Current practises**	**Proposed changes/Recommendations**	**Benefits to the sector**	**Possible alternative, should there be loss of revenues on the side of government from such a change**
MICT (Ministry of Information, Communication and Technology)	Policy and Governance	Finalization and Operationalization of the Startup Policy	A draft National Startup Policy was developed in 2022, led by the Ministry of ICT with participation from public and private sector stakeholders. As of 2024, the policy has not yet been finalized, approved by Cabinet, or gazetted. This delay results in policy uncertainty, limited investor confidence, and fragmentation in government interventions for startups.	1. Finalize the Startup Policy by June with the following steps: - Form a multi-stakeholder Task Force (MICT, TSA, private sector) - Conduct nationwide public consultations (online/offline) - Revise and submit the final draft to Cabinet for approval and gazettement 2. Develop a Startup Policy Implementation Plan (2025–2028): - Define key outcomes, actions, KPIs, timelines, and responsible actors - Include annual reporting mechanisms 3. Establish a Startup Coordination Desk within MICT to oversee implementation and act as a secretariat.	- Creates a clear legal and administrative framework that distinguishes startups from traditional SMEs. - Increases investor and entrepreneur confidence in the ecosystem. - Supports inter-ministerial coordination, reducing policy overlaps and inefficiencies. - Enables external donor alignment and funding mobilization for startup support programs. - Boosts Tanzania's regional competitiveness in innovation policy.	- If full implementation is financially constrained: 1. Adopt a phased rollout, prioritizing high-impact, low-cost actions (e.g., Startup Desk, interim guidelines). 2. Mobilize donor support or partner with development agencies (e.g., GIZ, UNDP) to co-finance key activities. 3. Use Ministerial Directives to issue temporary guidance while awaiting full gazettement.
			regulatory provisions. - This creates a regulatory vacuum and limits the ability of government and private actors to tailor support mechanisms (e.g., tax incentives, sandboxes, procurement eligibility).	- MICT (lead ministry) - TSA and EISOs - Key regulators (TRA, BRELA, BOT, CMSA, PPRA) - Private sector and legal experts 3. Benchmark regional Startup Acts (e.g., Nigeria, Tunisia, Kenya) and adapt to Tanzanian context. 4. Core provisions to include: - Legal definition and classification of startups - Startup registration/labelling system - Innovation sandboxes - Tailored tax and regulatory incentives - Access to public procurement 5. Conduct public consultations and finalize by Q2 2026.	and institutional capital. - Facilitates startup data collection and reporting across institutions. - Enables the use of regulatory sandboxes, driving fintech, healthtech, agritech, and other innovations. - Positions Tanzania to compete regionally in attracting startups and innovation funding.	2. Pilot Startup Labelling and Innovation Sandbox Frameworks administratively (via MICT/TRA/BRELA) ahead of full Act enactment. 3. Seek technical and financial support from legal reform programs or international partners to fund the drafting and stakeholder consultation process.

STAKEHOLDER: CMSA

CMSA	Unlocking Funding landscape in Tanzania	Lack of Government-Backed VC/PE Fund	- Tanzania has no operational government-backed venture capital (VC) or private equity (PE) fund targeting startups. - CMSA focuses on regulating traditional capital markets (IPOs, corporate bonds), with minimal activity in startup equity financing. - Startups rely on donor grants or early-stage angel investors, which limits scalability and investor confidence. - The current environment lacks structured, risk-tolerant, early-stage capital, especially for innovation-driven enterprises.	1.Operationalize a Government-Anchored Venture Capital Fund by 2026 through a blended finance model, where public funds de-risk private capital: - CMSA to design and oversee fund governance in collaboration with Ministry of Finance, TIC, and TSA - Anchor capital (e.g., TZS 50 billion) from the government to attract local institutional investors (e.g., NSSF, LAPF) and DFIs (e.g., IFC, AfDB, GIZ) - Fund to be professionally managed, with a mandate to invest in Tanzanian-registered startups with high growth potential 2. Amend regulations to formally recognize venture funds as an investment vehicle regulated under CMSA 3. Develop VC fund accreditation guidelines to allow participation of family offices, corporates, and international capital 4. Create incentives for LPs (Limited Partners) such as tax relief on carried interest or profit reinvestment	- Provides a structured, scalable investment pathway for Tanzanian startups - Helps catalyze domestic early-stage capital, reducing dependence on grants or foreign-only investors - Encourages institutional participation in the innovation economy (e.g., pensions, banks) - Enhances deal flow visibility and standardization in the investment ecosystem - Stimulates the creation of local fund managers and enhances capital market sophistication	- If direct public funding is constrained: 1. Government may opt to provide capital guarantees or first-loss capital instead of direct equity investments 2. Introduce co-investment schemes where the public fund only matches private investment per startup (e.g., 1:1 match) 3. Use development finance partnerships (e.g., with DFI or AfCFTA fund) to fund initial pool 4. Launch a pilot with smaller seed fund before full rollout, targeting high-growth sectors like agri-tech, fintech, or healthtech

STAKEHOLDER: Tanzania Revenue Authority (TRA)

TRA (Tanzania Revenue Authority)	Enabling Environment	Accelerating tax compliance and formalization of startups and informal businesses	- Most early-stage businesses operate informally due to high compliance burden and lack of tailored tax policies. - Monthly filing obligations and penalties (SDL, PAYE, VAT, Withholding Tax) are enforced uniformly regardless of business size or age. - Penalties for late filing can be punitive, discouraging compliance. - Tax education targeting startups is largely non-existent. - No differentiated tax schedule exists for micro-startups or innovation-driven enterprises.	1. Introduce a Startup Tax Tier under the Income Tax Act and Finance Act for businesses registered as startups (e.g., via BREL): - Allow annual tax filing (instead of monthly) for qualifying startups with revenue below TZS 10 million per year - Apply waivers or reductions for PAYE, SDL, VAT late filing penalties during the first two years of operation 2. Launch a Tax Education Program for Startups, led by TRA in partnership with EISOs and TSA: - Offer simplified digital learning materials - Integrate tax clinics into startup hubs - Include startup-specific guides in Kiswahili 3. Establish a Tax Compliance Starter Package: - Offer bundled services (TIN registration, e-filing setup, recordkeeping tools) for new startups - Use digital channels to onboard and track new startups 4. Adopt a risk-based compliance framework that focuses audits and enforcement on medium-to-large entities, while using light-touch, supportive approaches for early-stage ventures	- Improves startup formalization rates and broadens the tax base in the long run - Encourages compliance by reducing fear of excessive penalties - Empowers first-time founders with basic compliance tools and knowledge - Reduces administrative burden on both startups and TRA - Enhances data visibility of startup activity, enabling better public policy	Implement as a pilot for startups in three regions (e.g., Dar, Arusha, Dodoma) before national scale-up - Tie reliefs to graduation criteria (e.g., revenue thresholds, job creation) - Use donor funding or CSR support for tax education campaigns - Cap tax relief duration (e.g., maximum 2 years) to prevent misuse
TRA (Tanzania Revenue Authority)	Unlocking Domestic Investment	Lack of Tax Incentives for Angel Investors and R&D Support; Alternative Minimum Tax burdens startups	- No tax relief frameworks (such as SEIS, EIS, or R&D tax credits) exist in Tanzania to encourage individual or institutional investment in startups. - Alternative Minimum Tax (AMT) applies even to pre-revenue or loss-making startups, discouraging reinvestment. - Capital gains from startup equity investments are taxed at standard rates, reducing investor appetite.	1. Introduce Angel Investor Tax Incentives, modeled on UK's SEIS/EIS: - 50%–70% personal income tax relief on qualifying startup investments - Exemption on capital gains tax if shares are held for 3+ years 2. Eliminate or suspend AMT for registered startups for the first 3 years post-registration 3. Introduce R&D Tax Relief: - Allow qualifying startups to deduct up to 150% of eligible R&D expenses from taxable income 4. Amend Finance Act and Income Tax Act to integrate these incentives with clear eligibility and tracking via BRELA or MICT Startup Registry	- Encourages domestic private capital to flow into local ventures - Stimulates product development and innovation through R&D incentives - Makes Tanzania more attractive for returning diaspora and regional angel investors - Reduces capital constraints that startups face in early stages	- Start with time-bound tax incentive programs (e.g., 5-year rollout) - Limit angel tax relief to accredited investors or approved angel networks - Use performance-linked benefits (e.g., revenue milestones, job creation, local sourcing) to justify reliefs - Cap the total annual relief amount per investor to limit fiscal exposure

STAKEHOLDER: FCC

FCC	Mergers & Acquisitions	Low M&A Notification Threshold, High Fees, and Long Approval Timelines for Startup Transactions	- The current notification threshold for M&A in Tanzania is low, requiring even small startup acquisitions to notify FCC and undergo full regulatory scrutiny. - Filing fees are a percentage of deal value, making them prohibitively expensive for early-stage transactions. - Approval process timelines are lengthy, ranging from 60 to 90+ days. - There is no distinction between startup acquisitions and traditional corporate mergers.	1. Raise the M&A Notification Threshold to USD 10 million, specifically for startup and venture-led acquisitions: - Amend relevant sections of the Fair Competition Act and associated regulations - Introduce a fast-track review mechanism for startup M&A deals valued below this threshold 2. Introduce a Tiered Filing Fee Structure: - Cap M&A filing fees at a nominal rate (e.g., USD 500–1,000) for transactions involving certified startups - Introduce flat-fee exemptions for startup-to-startup or startup-to-investor acquisitions 3. Streamline the Approval Process: - Reduce approval period to 15 working days for startup deals that don't raise competition risks - Publish clear startup-specific review guidelines 4. Capacity Building for FCC Analysts: - Train FCC staff to recognize startup-specific dynamics in M&A transactions (e.g., acqui-hires, equity swaps, digital asset valuation) 5. Maintain transparency by publishing anonymized reports on startup M&A trends to build ecosystem intelligence	- Reduces regulatory friction, unlocking more acquisition-driven exits for startups - Encourages cross-border investment and acquisitions, especially from international VCs and strategic buyers - Enhances the ease of doing business, especially in the innovation and tech sectors - Improves exit visibility, which is crucial for attracting early-stage capital - Aligns Tanzania with regional peers implementing pro-startup M&A frameworks (e.g., Kenya, Nigeria)	- Apply the USD 10M threshold increase only to certified startups under a government-approved registry (e.g., via MICT or BRELA) - Use a sliding scale for filing fees based on company revenue or asset base rather than deal size - Introduce M&A tax certificates or "one-time startup exit exemption" incentives to manage long-term revenue expectations - Conduct a two-year pilot before full regulatory reform to assess revenue and policy impacts

STAKEHOLDER: Bank of Tanzania (BOT) and Local Government Authority (LGA)

BOT (Bank of Tanzania)	Startup Data Visibility	Lack of startup labelling and capital flow tracking across financial institutions and regulators	- Financial institutions and regulators (BOT, TRA, CMSA) do not distinguish startups from other MSMEs in reporting formats. - Data on capital flows (foreign and domestic) to startups is fragmented and not standardized, making it hard to track the health of the innovation economy. - There is no national labelling system integrated across registries (BRELA, TIC, BOT).	1. Introduce a National Startup Labelling System: - Coordinate with BRELA, TRA, and MICT to develop a startup identifier tied to the national startup registry - Require banks, DFIs, and MFIs to use the label in credit and investment reporting templates 2. Amend BOT Prudential Guidelines to include startups as a disaggregated category under "MSME lending" and "foreign debt inflow reporting" 3. Publish Quarterly Startup Finance Data: - BOT and National Bureau of Statistics to co-publish dashboards tracking startup loans, equity, and grants disbursed through regulated entities	- Enables evidence-based policy-making and better resource allocation to innovation - Improves visibility for investors and development partners supporting the ecosystem - Helps benchmark growth trends in Tanzania's digital economy and productivity sectors - Lays the foundation for future credit scoring and open finance systems for startups	- Begin with a pilot labelling scheme via BRELA and EISOs - Offer reporting compliance incentives to banks and investment institutions for adoption - Use startup-labelled data to unlock performance-based tax relief or co-investment programs through government
LGA (Local Government Authorities)	Public Sector Funding / Local Economic Development	Limited eligibility of 10% youth & women fund due to restrictive group-based structure	- LGAs allocate 10% of own-source revenue as loans to youth, women, and people with disabilities, as mandated by national directives. - Access to funds is primarily limited to community-based groups (CBOs), savings groups, or rotating fund groups (VICOBA), which are not recognized legal business structures. - This excludes formal youth- and women-led startups registered as LLCs, LLPs, or sole proprietorships from accessing local government financing.	1. Amend eligibility criteria for the 10% LGA fund to include formal business entities that meet the following: - Are legally registered (e.g., BRELA: LLC, LLP, or sole proprietor) - Have youth or women (18–35 years) as majority shareholders or directors - Demonstrate basic governance and bookkeeping capacity 2. Develop separate funding windows within the 10% fund: - One for traditional group models - One for youth-/women-led formal startups and SMEs 3. Standardize application and disbursement processes for formal startups: - Allow digital application portals - Introduce clear scoring criteria tied to business viability and traction 4. Provide financial literacy and compliance training for youth/women-led startups receiving LGA funding 5. Monitor fund repayment performance and publish impact reports on startups funded by LGAs	- Unlocks local public financing for startups in underserved areas - Encourages formalization of youth-/women-led businesses, increasing the national tax base - Expands eligibility and equity in access to public funding instruments - Fosters entrepreneurship and local job creation outside urban hubs - Increases accountability and trackability of fund performance due to legal recognition of recipients	- Cap the allocation to formal entities at 40–50% of the 10% fund during initial rollout - Require co-investment or business incubation support from a certified EISO or SIDO to qualify - Pilot the revised structure in 3–5 LGAs (urban and rural mix) to evaluate uptake and repayment rates before nationwide scale-up - Encourage LGAs to use impact-based fund allocation, giving preference to startups creating jobs, using local inputs, or delivering social innovation

STAKEHOLDER: Public Procurement Regulatory (TPRA)

PPRA (Public Procurement Regulatory Authority)	Market Access / Inclusive Public Spending	Limited participation of startups in the 30% procurement quota for youth, women, and persons with disabilities	- Tanzania's Public Procurement Regulations (2016) allocate 30% of public procurement to special groups: youth, women, and persons with disabilities. - However, this quota primarily targets community groups, associations, and cooperatives. - Formally registered startups (LLC, LLP, sole proprietors) led by youth/women are often excluded due to unclear eligibility and complex procurement procedures. - Startups lack the capacity and understanding to navigate the tendering process.	1. Amend Public Procurement Regulations (2016) to explicitly include youth-/women-/PWD-led startups and SMEs as eligible beneficiaries of the 30% quota: - Define qualifying entities as businesses legally registered with BRELA, with majority ownership/control by special groups 2. Simplify procurement requirements for startups: - Allow alternative forms of proof (e.g., business license and startup registration) in lieu of high-value collateral or multi-year financial records - Introduce Startup-Friendly Procurement Lots (e.g., smaller contracts, digital services, local deliveries) 3. Build procurement capacity for startups: - Partner with TSA, EISOs, and Youth/Women Associations to conduct tendering workshops and helpdesk clinics 4. Establish a PPRA Startup Supplier Registry: - Enable ministries, agencies, and LGAs to search and contract eligible startup suppliers - Include a performance tracking mechanism for awarded contracts 5. Issue annual public reports on uptake of startup-led procurement to ensure transparency and accountability	- Opens up government as a client for thousands of startups, boosting revenues and credibility - Expands public procurement inclusivity and supports youth/women economic empowerment goals - Fosters innovation in public service delivery through startup participation (e.g., tech, design, logistics) - Supports the growth and formalization of special group-owned businesses - Stimulates regional participation beyond major urban centers	- Pilot startup-inclusive procurement quotas in specific sectors (e.g., ICT, catering, logistics, medicines and medical devices) where startups can compete effectively - Tie startup contracts to social impact criteria (e.g., job creation, local sourcing) - Allow consortium bidding for startups to jointly meet qualification criteria - Provide performance-based bonus payments rather than upfront capital advances to manage fiscal risk

STAKEHOLDER: Tanzania Investment and Special Economic Zone Authority(TISEZA)

TISEZA (Tanzania Investment and Special Economic Zones Authority)	Investment Environment / Infrastructure	Lack of a one-stop investment facilitation center tailored to startups and absence of dedicated Startup SEZs	- TISEZA oversees SEZs for industrial and commercial investment but has no dedicated framework or space for startups. - Existing SEZs are structured for large-scale, export-oriented enterprises (e.g., manufacturing), not for high-growth digital, service, or early-stage startups. - Startup investors must engage multiple institutions (TIC, TRA, BRELA, MITI, immigration) to obtain licenses, tax support, and work permits. - In Dar es salaam, several government-owned buildings remain underutilized following relocation of public offices.	1. Establish a Startup Investment One-Stop Center within TISEZA (in collaboration with TIC and MICT): - Physically house TIC, TRA, BRELA, Immigration, and TSA desks under one roof - Digitize onboarding services for both local and international startup investors - Fast-track approvals and investor certification for innovation-focused funds and companies 2. Launch Dedicated Regional Startup Innovation Zones: - Repurpose vacant government buildings into shared startup campuses with: · High-speed internet · Modular workspaces · Meeting rooms and event spaces - Provide administrative incentives like: · Rental waivers for first 12 months · Tax holidays for certified early-stage companies · Onsite incubation and acceleration partners 3. Amend SEZ regulatory framework to create a subcategory: "Startup Special Economic Zone (SSEZ)" 4. Coordinate with BRELA and MICT to align startup registration and labelling systems with zone eligibility 5. Publicize Dar es salaam Innovation Zone as a regional tech destination targeting both local and international founders	- Centralizes government services for startup investors, reducing cost, time, and complexity - Attracts foreign and diaspora investment into Tanzania's innovation economy - Activates unused government infrastructure into productive innovation hubs - Capitalize on Dar es salaam as a national innovation and entrepreneurship capital - Provides startups with affordable, reliable infrastructure and business support services - Encourages regional dispersal of economic activity beyond Dar es Salaam	- Launch the Dar es salaam Startup Innovation Zone as a pilot program before expanding to other cities - Use public-private partnerships (PPP) to fund renovation and operations of shared workspaces - Allow tiered access pricing based on startup stage (free for ideation, subsidized for growth-stage) - Apply performance-based incentives tied to job creation or revenue thresholds instead of blanket tax holidays

STAKEHOLDER: Business Registration and Licensing Agency (BRELA)

BRELA (Business Registrations and Licensing Agency)	Business Registration / Legal Framework	Lack of address flexibility for startups without physical premises	- BRELA currently requires a verified physical business address for company registration and license renewal. - Early-stage startups, especially digital and freelance-based ventures, often cannot afford or justify permanent office spaces, leading to exclusion or delayed formalization. - There is no provision for virtual addresses or shared registered agents as seen in other startup jurisdictions.	1. Introduce a Registered Agent Framework for Startups: - Allow certified law firms, coworking spaces, or EISOs to serve as registered business agents for startups during their early years - Amend BRELA registration guidelines to accept virtual office services as a valid address under specified criteria 2. Create a "Startup Provisional Registration" Pathway: - Permit temporary registration for ideation-stage startups using shared addresses - Require full compliance upon raising investment or entering formal procurement 3. Digitize startup address registration tools and integrate with BRELA's ORS system for transparency and ease of verification	- Enables more inclusive and affordable business registration, especially for rural and youth-led ventures - Increases the formalization rate of startups, expanding the tax base and eligibility for public/private financing - Encourages incubation hubs and co-working spaces to support legal compliance as a value-added service - Facilitates data-driven mapping of startups through centralized registered agent records	- Limit registered agent option to first 3–5 years of startup operation - Require startups to file annual justification for using shared addresses - Pilot the service in cities with high startup density (Dar es Salaam, Dodoma, Arusha) before national rollout - Impose a small administrative fee on registered agents to fund system upgrades
BRELA (Business Registrations and Licensing Agency)	Legal & Regulatory Reforms	Missing legal structures for Limited liability partnerships (LLPs)	- BRELA currently supports registration of sole proprietorships, partnerships, and limited liability companies (LLCs). - There is no provision for Limited Liability Partnerships (LLPs) in Tanzania's Companies Act or the current online registration system. - Startups seeking flexibility with legal protection (especially co-founders, incubators, VC syndicates) are forced to use rigid LLC structures, which may not suit early collaboration.	1. Introduce LLP (Limited Liability Partnership) Legal Framework: - Amend the Companies Act or enact standalone LLP legislation to allow incorporation of LLPs - Develop model LLP documentation (e.g., partnership deed, roles/responsibilities, capital structure) 2. Enable Digital Registration of LLPs via BRELA's ORS: - Integrate LLP registration and compliance filings into existing digital systems 3. Conduct Public Legal Awareness Campaigns: - In partnership with TSA, TLS (Tanganyika Law Society), and legal incubators - Clarify use cases for startups, investors, professionals, and accelerators	- Offers flexibility and limited liability to startup founders without the burden of full corporate structure - Encourages multi-founder and investor syndicate formation, de-risking early ventures - Brings Tanzania in line with international startup-friendly jurisdictions (e.g., Kenya, Nigeria, UK, India) - Reduces litigation risk by clarifying founder responsibilities and rights in early partnerships	- Pilot LLP rollout for early-stage tech and creative startups with simplified compliance - Set minimum capital or partner contribution thresholds for LLPs to limit misuse - Apply fixed low annual compliance fees during initial 3 years to balance costs with early-stage affordability

STAKEHOLDER: ACADEMIA Universities, Colleges and Research Institutions

ACADEMIA (Universities, Colleges, and Research Institutions)	Talent Development / Innovation / Skills	Disconnect between higher education curriculum and entrepreneurial skill needs; weak startup support structures	- Entrepreneurship is often offered as a theoretical module, not integrated across disciplines. - Few HLIs operate functional innovation hubs or incubation centers with real-world startup support. - There is limited industry linkage or mentorship between students and practicing entrepreneurs. - Most universities lack funding or capacity to support student-led ventures through prototyping, research translation, or pre-seed grants.	1. Institutionalize Experiential Entrepreneurship Programs: - Make entrepreneurship a core, practical module across all undergraduate programs - Use problem-based learning (PBL) methods with startup development as outcome 2. Establish or Strengthen University Innovation & Startup Hubs: - Create coworking labs, pre-incubation spaces, and access to prototyping tools (e.g., 3D printing, software sandboxes) - Offer seed grants for student startups using university innovation funds or PPPs 3. Foster Academia–Startup–Industry Linkages: - Develop startup internship pathways and thesis programs that embed students in early-stage companies - Host founder talks, demo days, and hackathons in collaboration with EISOs, accelerators, and investors 4. Commercialize University Research Outputs: - Establish Technology Transfer Offices (TTOs) to support patenting and spinouts - Incentivize staff to co-found or mentor student-led ventures 5. Include Startup Metrics in University KPIs: - Track and report on startups created, supported, or incubated by HLIs	- Strengthens startup talent pipeline by embedding innovation into the academic journey - Enables direct transition from campus to market, reducing unemployment and underemployment - Increases the number of high-quality, locally founded startups using indigenous knowledge and contextual solutions - Promotes research commercialization, improving Tanzania's innovation output and global academic competitiveness - Facilitates public-private partnerships and foreign collaboration in research-based startups	- Introduce startup-support funds jointly financed by alumni networks, development partners, and the private sector - Allow HLIs to lease underutilized campus space to incubators or investors to generate sustainability revenue - Begin with pilot programs in 5–10 leading universities before full national rollout - Integrate startup outputs into performance-based funding metrics from the Ministry of Education and COSTECH

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Annexes and Appendices

Survey Tools

1. Questionnaires for startups, Capital Providers, EISOs, MDAs, Academia, and Development Partners: https://ee.kobotoolbox.org/x/uQSdtU6G
2. Focus Group Discussions Guides: https://drive.google.com/drive/folders/1Rmnu9uXCKPyxiT1Rr5pwEipHDZrLMMyK?usp=sharing
3. Interview Guides: https://drive.google.com/drive/folders/1uSxvqw8s8VY-H10N7SMSiGbY6xgrMu9f?usp=sharing

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