



Speech by the President of India, Shri Pranab Mukherjee at presentation of Key recommendations emanating from the roundtable discussions with the leaders on the consultation and policy dialogue about start-up, incubation and financing innovations to the President

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I am happy to be here amongst you at the closing of the one week long 'Festival of Innovations'. The festival has seen spirited exchanges and collaboration between different stakeholders who are part of the innovation value chain. For me personally, the most gratifying feature is that we at Rashtrapati Bhavan have been able to facilitate dialogue and the creation of an ecosystem geared towards deepening the innovation culture in our economy and society.

2. As we are all aware, there is continuous talk about India and the demographic dividend that we are poised to reap. At the same time, the unfortunate reality confronting us is that of growth without commensurate job creation. It is important, therefore, that we go beyond the traditional paradigms and create a system of entrepreneurship and innovation wherein our youth transform from job seekers to job creators.

3. In that context, I am happy to note that there has been an appreciable spurt in policy support for young start-ups in different sectors. A large number of e-commerce or agriculture based platforms have attracted venture capital support in the last few years. Some of them have succeeded while many have failed, which in itself is not surprising. The real concern for policy planners is the fact that much of the finance that is needed comes at too late a stage in the enterprise life cycle because of which a large number of ideas get aborted before becoming products or services. We, therefore, have to ask ourselves the question whether our policy and institutional arrangements for financing of innovation based start-ups need change and, to my mind, the answer would be an unequivocal 'yes'.

4. In a country with at least a million technology students passing out every year, unless we invest in 10 - 20000 ideas annually, we are unlikely to see a major breakthrough. The current level of financing of innovation based start-ups is only about a couple of thousand technology based start-ups every year. How do we, therefore, increase the appetite for innovations in public and private financing institutions? Simultaneously, how do we encourage technology students to choose the risky path of entrepreneurship? We urgently need to rethink the design and structure of financial instruments in the country so as to provide a fillip to our grassroots innovation movement.

5. It is, therefore, heartening to note that the National Innovation Foundation (NIF), Atal Innovation Mission (AIM) and the Department of Science and Technology (DST) have teamed up with NABARD and SIDBI to enrich the inclusive innovation ecosystem. Both these institutions, NABARD and SIDBI, are providing invaluable back up support to small entrepreneurs. I understand that the Grassroots Innovation Augmentation Network (GIAN), set up by the Honey Bee Network, IIMA and SRISTI in 1997 was the first incubator for innovations set up in India. The model of in situ incubation developed by GIAN has been scaled up by the National Innovation Foundation through the Micro Venture Innovation Fund (MVIF) with the help of SIDBI. It may also be necessary for DST to consider converging various sectors under the umbrella of a National Academy of Innovations so that early stage ventures in technology, education, culture and institutions get single window support. It will also support supply chain innovators who will design frugal logistical models for social and economic enterprises. The underlying thought process has to be that at different stages of growth and diversification of start-up ventures, different levels of mentorship and financial instruments have to be made available.

6. I am very happy that the National Initiative for Developing and Harnessing Innovations (NIDHI) is strengthening the innovation incubation facilities at institutions of higher learning in collaboration with MHRD. I am also happy to note that India Innovation Growth Program in the second phase has brought together DST, Tata Trust and Lockheed Martin together. One of the most eminent industrialists of our country, Shri Ratan Tata, is present here to mark his support for government's initiatives in this regard. It is my earnest desire that the financing of innovations and early stage ventures should become far less complex over time. This must necessarily also be accompanied by attitudinal change - we must learn to celebrate and learn from failures in the same way as we celebrate success.

7. I am extremely happy that the Atal Innovation Mission has created tinkering labs in more than 500 schools. We have to supplement the emerging ecosystem with similar support at the community, district and regional levels. I had earlier suggested that we need to make a transition from micro-finance to micro venture finance as an instrument of promoting micro-ventures based on the model developed by GIAN and NIF. We should now aim for every Navodaya Vidyalaya to have incubation centres which enable and encourage children to take risks at an early age and for each district to have a community innovation lab. Policy initiatives need to be put in place for improving both innovation exposure and initiatives at government schools. While it may take time for all our wish list to fructify, the important thing to remember is that we have made a good beginning - we now need to build on this.

8. With these few words, I conclude the third Festival of Innovations and wish all of you Godspeed in your endeavours.

Thank you. Jai Hind!!

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