



Concept Note
Africa Innovation Summit Satellite Event: South Africa
6 – 8 June 2018
The Venue, Pretoria

1. Background

In recent years, Africa's economic development narrative has emphasized the need for structural transformation and socially inclusive growth that is driven by innovation generated from all facets of the African socio-economic context. It was from this premise that the idea of an African Innovation Summit (AIS) was launched in 2012 culminating in various publications including a special edition in the African Journal for Science, Technology, Innovation and Development which was aimed at uncovering how African countries can build innovation driven economies.

The first AIS was hosted in 2014 under the patronage of Pedro Pires, former President of Cabo Verde. Over 350 stakeholders from 30 countries in Africa and the rest of the globe participated in the summit. The emphasis on innovation as the key to unlock the potential of Africa's demographic dividend, drew the participation of several African Heads of state.

An undisputed element which emerged from AIS I, was the need for African countries to build a culture of innovation by integrating innovation in the daily lived experiences of African citizens and by creating an enabling environment. The second Summit, which will be hosted by President Paul Kagame in Rwanda from 6 – 8 June 2018, will build on the above principles by specifically honing in on the centrality of innovation in addressing Africa's challenges.

2. Locating Southern Africa in AIS II

The AIS Satellite event to be held in South Africa, will be an important extension of the dialogue which will take place at the main summit event in Kigali, Rwanda. The southern Africa region, through the Southern African Development Community (SADC) has placed innovation right at the center of regional industrialization and regional integration. The SADC Industrialization Strategy and Roadmap seeks to engender a major economic and technological transformation at the national and regional levels. Through innovation the strategy aims at accelerating the growth momentum and enhancing the competitive and comparative advantage of the region's economies.

Elected as the incoming Chair of SADC in 2016, South Africa together with key partners in the SADC region has sought to identify pragmatic mechanisms of implementing the Industrialization Strategy and Roadmap. One of the starting points



in this instance has been to leverage the comparative advantage of the region in sectors of strategic importance including agro-processing, pharmaceuticals, mineral beneficiation, climate change and renewable energy thematic grand challenges which will inform the structure of proceedings during the summit.

3. Objectives of the AIS Satellite Event

With every country in the region acknowledging the importance of innovation within the African industrialization debate, what is important is to create an innovation-led development paradigm that will cultivate national and regional eco systems informed by all spheres of society. In order to achieve structural transformation with the mutually reinforcing character of innovation and industrialization as the solutions, countries in the region will need to address policy deficits, undertake policy reforms while also promoting greater investments in research and development (R&D), the financing of technology entrepreneurs, access to local and international markets by small to medium enterprises and the development of indicators that will ensure impact at every level of the innovation value chain. Part of this requires developing institutional mechanisms that will facilitate a stronger interface between innovation and industrialization both at national and regional levels. The AIS satellite event will engage strategic stakeholders on these institutional mechanisms.

3.1. Integrating Trade and STI Policy

The Southern Africa region faces ever changing socio-economic challenges including attainment of the sustainable development goals such as decent work and economic growth, affordable and clean energy, good health and industry, innovation and food security. Because many of these challenges require innovative scientific and technological solutions, it is imperative for the Southern Africa region and governments within the region to consider how trade and industrialization policy influence science, technology and innovation (STI) policy and vice versa.

The risks of ignoring the relationship between trade and STI policy are significant, including the curtailment of technological change, stunted transfer of regionally developed technology, slow industrialization, and inhibited economic integration. By reflecting on what should be a mutually reinforcing interface between trade and STI policy, the SADC region and its governments will be better equipped to develop informed and effective strategies to address common challenges across the region particularly in a rapidly changing technological and trade landscape.

To address these shortcomings, a broader involvement of actors dealing with scientific research and innovation and strategic trade and industry players should be sought in the design of trade policy.

3.2. STI Parks for Industrialization

While the goals of policy makers and industry actors involved in establishing, supporting and operating STI parks are varied, what may be important for the SADC



region and its governments given the centrality of innovation in addressing development challenges in the current global environment, is the potential of STI Parks to foster national and regional industrialization, the creation of new jobs in new industries as well as to stimulate the development and transfer of new technologies and innovation.

New firms based on high technology and their incubation are in existence in some of the technology parks located in the SADC region, particularly South Africa. Given that the majority of STI parks in Africa are located in Southern Africa, namely Madagascar, South Africa, Botswana and Zimbabwe, it may be essential for key players such as government, private sector, universities, researchers, scientists and industry experts to consider how the efforts of these STI parks can be pooled together to:

- promote scaling of home-grown technologies that address regional development challenges;
- encourage cross-pollination of innovation-driven services for use across the region;
- develop incubation-based regional exchange programmes for technology start-ups aimed at promoting access to investors and regional markets;
- establish centres of excellence for testing new technologies and ensuring innovation deployment; and
- promote economic competitiveness of the region.

The satellite event will convene these actors to discuss the above considerations and identify recommendations that can be carried forward by the relevant stakeholders in the form of partnerships or agreements in the short to medium term.

3.3. *A Need for National and Regional Intellectual Property Structures*

In advancing industrialization by promoting STI and increasing R&D investment to one percent of the gross domestic product, there comes an urgency in understanding and appreciating the importance of intellectual property (IP) and the related rights associated with it. Intellectual property in technology localization, technology transfer and in many respects, cross border trade and economic integration, cannot be overstated. Technological inventions are meaningless and lack value without IP rights that determine ownership and stipulate periods of exclusivity.

Studies have revealed that countries with sound IP protections have more full-time researchers, attract greater foreign direct investment, attract investments in R&D and a good share of their workforce enjoys higher paying jobs in IP-intensive industries. Companies that seek to access regional and overseas markets require assurance that their IP will be protected once their product is received in another country. Therefore, Innovation driven economies in the SADC region need to be informed by strong national IP frameworks so as to facilitate innovation, technology transfer and greater economic integration within the region.



3.4. *Addressing the Innovation Financing Gap*

There has been growing concern in many African countries about the lack of access to finance young innovative firms. This financing gap which also exists within the region has been met with increasing calls for innovation funding in the seed and early stage market. Indeed, young innovative firms, including technology start-up companies and small to medium size enterprises (SMEs) face many difficulties in accessing seed and early stage financing. Banks are at times reluctant to provide loans to start-ups due to economic constraints. Though the share of home-grown or African venture capitalist firms investing in African start-ups is on the rise, this group of investors can at times be risk adverse choosing to invest in companies that are operating at an advanced stage of the innovation value chain.

Furthermore, though angel investors are becoming more visible and active in the innovation financing landscape, there are simply not enough of these investors to plow into the growing regional market of technology entrepreneurs who in turn are viewed as the avenues of job creation, poverty reduction and economic growth. Other key players in the financing of innovation on the supply side, include public or government-led institutions. Within the regional context many countries, apart from South Africa at a small scale, do not have the policy or financial tools to introduce tax incentive programmes, granting schemes and legislation for credit guarantees aimed at supporting early stage technology companies.

Acknowledging the importance of innovation in addressing development problems is not enough. In this regard, addressing the innovation financing gap is crucial and requires careful consideration for adopting a differentiated approach in addressing the diverse financing requirements of technology entrepreneurs as they move through the various phases of the innovation value chain. The AIS satellite event will interrogate the possibilities that lie behind financing gaps by exploring the development of a regional platform that will serve to bridge the gap between entrepreneurs and the various categories of investors both within and beyond the region. The satellite event will also convene the key actors within the innovation financing landscape to discuss the mechanisms that will need to be put in place at both the national and regional level in order to close this critical gap.

3.5. *Presentation on Perspectives of Innovation*

Technopreneurs will be invited to present their work and use of innovation in addressing a societal challenge. Learners from local high schools and universities will be offered an opportunity to demonstrate technologies that they have invented as a result of their application of science and mathematics. Technopreneurs will present an object which represents their perspectives on an innovation that addresses one of the selected societal challenges within the southern African region.



4. Structure of Programme

While the satellite in South Africa will have its own “flavour” with regards to the content of discussions, there will be a close alignment with topics that will inform parallel sessions in Kigali. Furthermore, state of the art multimedia equipment will be used to not only live-stream plenaries in Kigali but to also cross-pollinate dialogues taking place in Kigali together with the sessions in South Africa. The daily programme will include an opening plenary that will be live streamed and parallel sessions that will address challenges which carry a local currency.

An exhibition will also be held for corporates, technology entrepreneurs, small-to-medium enterprises. High school learners from disadvantaged background will also showcase innovations that they have personally developed in response to addressing challenges in their communities.

5. Participants

The satellite event to be hosted in South Africa will be one of four satellites, which will take place in west (i.e. Senegal), east (Ethiopia) and north Africa (Morocco). The aim in this instance will be to provide an opportunity for stakeholders in southern Africa who may be constrained in participating in the AIS event taking place in Kigali to be part of the summit by participating in the satellite event in South Africa.

The satellite in South Africa is open to multi-sectoral and multi-disciplinary actors based in South Africa and other countries within the southern Africa region, which wish to be agents of change by galvanizing innovation in addressing shared challenges. The satellite will engage actors from all spheres of the regional innovation eco-system as follows:

- Technology Entrepreneurs
- SMMEs
- Innovation hubs
- Private sector
- Angel investors
- Venture capitalists
- Incubators
- Policy makers
- Civil society
- Research and innovation management organisations
- Researchers

6. Outputs and Outcomes

Impact is an integral part of the AIS. The satellite event will seek to achieve this by ensuring that outcomes and strategic recommendations are presented in regional and continental governance structures of key multilateral institutions in the continent. The aim will be to present emerging initiatives and potential financial investments and



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human capacity development opportunities to decision makers that can lend further financial and political support. A declaratory document will be drafted and shared in key multilateral governance structures within the SADC region and the continent. Other key outputs for publication and dissemination will include policy brief and position papers on issues of strategic importance as highlighted during the satellite event.