Africa Regional STI Forum 2024, Addis Ababa, Ethiopia, 22 April 2024

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Partnerships in Action: Addressing funding gaps to achieve the AU-EU Innovation Agenda

The session, entitled "Partnerships in Action: Addressing Funding Gaps to Achieve the AU-EU Innovation Agenda", was successfully hosted by the African Union (AU) and the European Union (EU) at the 6th Africa Regional Science, Technology and Innovation Forum (ARSTIF) organised by the United Nations Economic Commission for Africa (UNECA) in Addis Ababa, Ethiopia, and virtually on 22 April 2024.

The meeting brought together a diverse range of participants, including government officials, representatives of regional and national scientific institutions and research organisations, UN agencies, international organisations, regional economic communities, scientists, academics and researchers, representatives of the private sector and industry, civil society organisations and development partners, and funders. The meeting explored strategies for effectively mobilising resources to achieve the objectives of the <u>AU-EU Innovation Agenda</u>, with a particular focus on addressing funding gaps.

Opening and general scene-setting

The 150-minute session, moderated by **Dr Laurent Bochereau**, Science Counsellor at the EU Delegation to the African Union, commenced with an introduction to the AU-EU Innovation Agenda. Jointly adopted by the AU and EU Commissions in June 2023, the Agenda is a comprehensive framework with the objective of enhancing the innovative capacity and performance of researchers and innovators from both continents. The strategic partnership is supported by the <u>Global Gateway</u> and serves as the cornerstone of Africa-Europe cooperation in science, technology and innovation (STI) for the next decade. The joint agenda comprises four objectives with short, medium and long-term actions, focusing on priority areas such as public health, green transition, innovation and technology, and science capacity, as well as cross-cutting issues.

Dr Tidiane Ouattara, Head of Science and Technology at the African Union Commission, continued to set the scene. He extended warm regards from H.E. Prof Mohamed Belhocine, Commissioner for Education, Science, Technology & Innovation, African Union Commission. He reiterated that science, technology and innovation are a cross-cutting matter, covering thousands of subjects, involving all levels of society. This necessitates a collaborative approach to leveraging science, technology and innovation for sustainable economic growth. In

particular, the African continent, with its vast territory and youthful population, stands to benefit significantly from these drivers of development. This is reflected in the continent's Agenda 2063. Furthermore, the AU views policy cooperation with its EU partner, for instance through the AU-EU Innovation Agenda and the AU-EU High Level Policy Dialogue on Science, Technology and Innovation, as a crucial means of creating synergies and engaging on a programmatic level. He also emphasised the importance of engaging with national institutions, as countries should take ownership, share best practices and knowledge. He concluded by emphasising that science, technology and innovation is not a finished product and that continued investment in education, particularly in applied science, is essential.

Sub-session 1: How can STI4SDGs roadmaps help to mobilise and effectively guide STI investments decisions towards the most pressing SDGs?

The session, moderated by **Victor Konde** of the UN Economic Commission for Africa, examined the potential of <u>STI4SDGs roadmaps</u> in mobilising and guiding STI investment towards the most pressing Sustainable Development Goals (SDGs).

The inaugural speaker, **Dr Angela Sarcina**, Team Leader at the Joint Research Centre (JRC) of the European Commission, presented the STI for SDGs roadmaps. These serve as policy action plans, are aligned with national development strategies and adopt a holistic approach to the SDGs. Currently, roadmaps are being developed in six African countries, namely Gambia, Malawi, Mauritius, Namibia, Rwanda and Seychelles. Previously Ethiopia, Ghana and Kenya have also developed their roadmaps. This process is being undertaken under country ownership and with stakeholder engagement. The JRC provides methodological guidance in six steps:

1. Define objectives and scope;

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- 2. Access the current situation;
- 3. Develop vision, goals and targets;
- 4. Assess alternative pathways;
- 5. Develop a detailed STI for SDGs roadmap;
- 6. Implement, monitor, evaluate and update the plan.

The aforementioned steps are combined with tailored support on the specific steps based on the country context and needs. The methodology allows each country to develop STI targets for the identified sustainability challenges, which in turn enables the identification of instruments, projects and investments to achieve the green and digital transitions and the 2030 Agenda. In this manner, the developed STI for SDG roadmaps can facilitate the mobilisation and effective guidance of science and technology investment decisions towards the most pressing SDGs. This can be achieved through the implementation of actionable policy frameworks, including STI investment priorities and possible STI projects; informed and

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evidence-based decisions; and streamlined processes, including the needs of governments, funders, donors, the private sector and civil society, among others.

Lidia Arthur Brito, Assistant Director-General for Natural Sciences at the United Nations Educational, Scientific and Cultural Organization (UNESCO), proceeded to enumerate three reasons why the UNESCO is an important actor in the roadmap process. Firstly, the UNESCO already works with countries and has established strong networks on the ground, including UNESCO chairs, UNESCO centres and national commissions in countries. Secondly, the UNESCO also works with regional and global organisations. For instance, in collaboration with the AU, UNESCO is currently examining the impact of the Science, Technology and Innovation Strategy for Africa 2024 (STISA 2024). It has become evident that cross-scale and cross-partner work is of paramount importance, as individual countries are unable to address current challenges, such as water scarcity and human capacity limitations. Thirdly, UNESCO is a member of the STI roadmap network and advocates the necessity of science to transform societies, embracing both scientific knowledge and indigenous knowledge.

The following testimonials were provided by representatives from Ghana, Rwanda and the Seychelles, who shared their experiences of the roadmap process.

Wilhelmina Quaye, Director at the CSIR-Science and Technology Policy Research Institute, highlighted that the roadmap process was highly successful for Ghana. They followed the guidelines provided and produced a roadmap in 2020 with limited resources. In the course of developing the roadmap, the country incorporated multidisciplinary perspectives, including those of various ministries, such as the Health Ministry, which played a pivotal role during the COVID-19 pandemic. Additionally, stakeholders from across the country, not limited to the capital city of Accra, were consulted.

Louis Sibomana, Head of the Science, Technology Development and Outreach Department at the National Council for Science and Technology (NCST), provided an insight into the ongoing roadmap process of Rwanda. The country has identified the challenge of developing technology solutions for the agricultural sector, and is working with agricultural actors, the private sector and researchers to achieve this goal. One concrete example is the development of improved food packaging.

Cynthia Alexander, Director General at the Ministry of Investment, Entrepreneurship and Industry, emphasised the distinctive challenges faced by the Seychelles as a small island developing state, with a significant reliance on tourism. She elucidated that the country recognises the necessity for self-sufficiency and the utilisation of new technologies. She proceeded to elucidate that limited access to higher education represents a challenge for the country, which subsequently relies on mobility schemes with other countries to advance innovation and entrepreneurship for climate change mitigation and the diversification of incomes.

The first sub-session was brought to a close by **Chux Daniels** of the Transformative Innovation Africa Hub and the University of Pretoria, who emphasised the pivotal role of stakeholder engagement in the successful development and implementation of the STI for SDGs

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roadmaps. He called for the enactment of policy regulations, the derisking of investments, patient and long-term funding, the fostering of collaboration and private-public linkages, as well as for a greater emphasis on partnership and joint collaboration.

Sub-session 2: How can the AU-EU Innovation Agenda help innovators access finance and grow their activities faster and a more sustainable way?

The second sub-session was moderated by **Dr Taibou Ba**, African Union Commission, and was centred on facilitating access to finance for innovators and fostering their sustainable growth. The session explored how the AU-EU Innovation Agenda can facilitate access to finance for innovators, enabling them to scale their activities more rapidly and sustainably within dynamic ecosystems.

Mandry Ntshani, Director for Africa Multilateral Cooperation at the Department of Science and Innovation, Republic of South Africa, set the tone for the sub-session by recalling the key objective of the AU-EU Innovation Agenda, which is to transform and increase the innovative capacities and achievements of African and European researchers and innovators into tangible outputs, such as products, services, businesses and jobs. She proceeded to emphasise that the implementation of the Agenda is anchored around various stakeholders, including governments, NGOs, the private sector, academia, and, most importantly, the youth. Subsequently, she announced that five young innovators are presenting their inventions with which they aim to tackle socioeconomic issues in Africa and Europe. Furthermore, she informed that the South African Department of Science and Innovation has various funding schemes in place with the objective of building strong national innovation systems in the country. Additionally, the country has implemented incentives to encourage research and innovation (R&I), including incentives for the private sector to support R&I, technology and innovation funding agency funding. However, she continued that the sustainable innovation journey cannot be taken alone, but only with partners.

Mélanie Mwangi provided an overview of the mission of the <u>ENRICH in Africa Center</u>, which is to strengthen African-European innovation ecosystems, facilitating collaboration among innovators, connecting incubators, accelerators, investors, corporations, and policymakers with the objective of enabling positive social impact. The Center facilitates interactions between researchers, innovators, and investors. One resource in this regard is the report "<u>Exploring the Funding Landscape of Africa's Tech Innovation Support</u>" which can be accessed on the website of ENRICH in Africa.

The Ugandan founder of <u>Mawejje Creations</u>, **Dimma Mawejje Muhammed** presented to the audience how his start-up is revolutionising the fashion industry by using plant-based materials and textile waste. He is part of the Innovation Agenda movement and already presented his innovation under the agora session on youth-led innovations of <u>the AU-EU</u> <u>Innovation Festival</u> which took place in Cape Town, South Africa in June 2023.

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Edma Lawer, the founder of the Ghanaian youth organisation <u>YEWGlobal</u>, is focused on empowering young entrepreneurs in the energy sector. She outlined seven ways in which young entrepreneurs can make use of the AU-EU Innovation Agenda. These are: 1. Enhance collaboration/knowledge exchange, 2. Funding opportunities, funding platform, 3. Capacity building, 4. Promotional of renewable energies, 5. Support innovation ecosystems, 6. Harmonisation, 7. Facilitation of market access.

Darlington Akogo, Founder and CEO of <u>minoHealth Al Labs</u>, has been developing Al solutions for healthcare since 2016. His current focus is on generative AI. He has stated that his initial challenges were credibility and access to funds. He has overcome these hurdles by forming partnerships with respected partners who already have access to larger funding, but may lack new approaches. Now that he is building a significant AI system, his main challenge is obtaining substantial funding, which is challenging for an African start-up due to the lack of government support for such large sums. He proposed the creation of an AI R&I investment fund to provide dedicated tech funding for African innovators, reducing their reliance on development funding.

Charlette N'Guessan, co-founder and CEO of <u>BACE Group</u>, an AI-powered identity channel with OCR and facial recognition technology from Ghana, highlighted the challenges of patents and regulations as her biggest obstacles. She emphasized the need for more AI-specific policies at the African Union level, citing the current lack of comprehensive guidelines.

Sub-session 3: How can innovation funders mobilise the AU-EU Innovation Agenda to identify bankable and truly innovative projects?

The final sub-session, moderated by **Dr Amina Jama**, Science Counsellor at the Embassy of Sweden in Addis Ababa, Ethiopia, explored how innovation funders can leverage the AU-EU Innovation Agenda to identify bankable and truly innovative projects. Participants discussed strategies for aligning funding priorities with the objectives of the Innovation Agenda and maximising the impact of investments in research and innovation.

Prof Mokhtar Sellami, Director of Science Technology and Innovation in the National Council for Scientific Research and Technologies (CNRST) in Algeria, presented the highly successful joint AU-EU projects as a starting point for the sub-session. The joint Europe Africa Research and Innovation (R&I) initiative related to Food and Nutrition Security and Sustainable Agriculture (LEAP-Agri) ran from 2016 to 2022 and involved a total of 18 countries across Africa and Europe and funded 27 projects. The Long-Term Joint Research and Innovation Partnership on Renewable Energy between the European Union and the African Union (LEAP-RE), which commenced in 2020 and will conclude in 2025, involves 39 African and European countries and has so far funded 23 projects. Both projects have achieved technology readiness levels (TRL) of 6 or above, indicating that the system prototype has been demonstrated in an operational environment and that the innovation is ready for market entry.

The sub-session was complemented by four innovation funders.

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Dr Robert Karanja, is the co-founder of <u>Villgro Africa</u>, an incubator and impact investor supporting emerging health, life science and agricultural businesses in Africa. Since 2015, they have provided seed capital from 20 to 100 thousand dollars, which funds early stage businesses and enables prototypes to be launched. To date, for every dollar they have invested, they have reived eight dollars in return. The focus on health, life sciences and agriculture were driven by market failure, and the recognition that African needs remain underserved.

Jonas Dylla, Country Director to Ethiopia and the African Union at <u>KfW</u>, a German state-owned investment and development bank, explained that his institution provides flexible and riskier financing. Most of the projects they fund have in common that they are not easily bankable, because they follow a new approach. The institution assists with feasibility studies or technical assistance to make a project financeable. They further have the mandate to attract more investments from member states. In this regard, he emphasised the importance of including all partners in the conversation and of working jointly and in a demand-driven manner.

Dr Francis Mangeni, Head of Trade Promotion and Programmes with the African Continental Free Trade Area (AfCFTA), reiterated that economies grow faster and in a more transformative manner through new projects. Science, technology and innovation are enablers for building sustainable infrastructures, such as in the areas of renewable energies or health. The AfCFTA creates a large market of 6.7 trillion dollars, with the African market continuously growing. The trade agreement is underpinned by a high level of political commitment. For the future, he suggests allocating more resources to implementation, technology transfer, business structuring, as well as to rural areas and women.

The funders were completed by **Ben White**, the founder of <u>VC4A</u>. VC4A is a leading platform supporting entrepreneurs, mentors, investors and business professionals, strengthening the start-up community in Africa, Latin America and beyond. This makes it easier for investors to invest. Furthermore, VC4A provides many free services, for example a start-up academy, and counts 250 thousand community members. The platform facilitates the unlocking of funding in SDGs and assists with the development of scaling strategies, among other things.

Closing of the session: key messages and takeaways

The session was brought to a close by Dr Taibou Ba, who thanked the speakers and the audience for their contributions to the discussions and acknowledged that the session had helped people to gain a deeper understanding of the AU-EU Innovation Agenda. He called on experts, researchers and decision-makers to consider ways in which some of the ideas discussed could be implemented in the future to allow for greater innovation. He also acknowledged that some challenges, such as funding, financial capacity building and the lack of data knowledge, must be continuously discussed.



The next opportunity to discuss access to finance in the context of the implementation phase of the AU-EU Innovation Agenda will be a forthcoming <u>virtual workshop on 29 May 2024</u>. Registration to the event is open.