

## Collaboration on Innovation and Competitiveness in Africa

Report and conclusions from Linnaeus Innovation and Competitiveness Symposium  
- Cape Town, 17-18 September 2007

On 17-18 September 2007 proponents of innovation and cluster-based competitiveness initiatives in Botswana, Ethiopia, Ghana, Mauritius, Mozambique, South Africa, Tanzania and Uganda convened in Cape Town together with representatives of a number of key international development organizations (Sida, USAID, World Bank and SADC), the Swedish Governmental Agency for Innovation Systems - VINNOVA, and NGOs (Hand in Hand and The Competitiveness Institute) to discuss how to increase innovation, value addition in production and competitiveness of African businesses at local and international markets.

Overall conclusions were:

- The stakeholders agreed that the next generation of economic development and competitiveness policies in African countries must place more emphasis on adding knowledge – and thereby value – to products and services produced by businesses and industries in African countries. If industries and businesses in Africa do not move up the value chain, by being competitive on higher value processed goods and services, sustainable improvements in quality of life for the hundreds of millions people in Africa currently living in absolute poverty is unlikely.
- In recent years a number of cluster and innovation based competitiveness initiatives have been launched throughout the African continent – with the number increasing rapidly.
- The initial results are that these cluster- and innovation based initiatives are highly cost effective vehicles for drawing key stakeholders together and providing valuable new opportunities for businesses and industry sectors to improve the competitiveness of both their own firms, and that of the underlying business environment.
- However, there is a lack of capacity in cluster facilitation and management at different levels of governance (industries, knowledge institutions and government).
- Also, innovation and cluster competitiveness initiatives are not yet – in any African country – integrated into mainstream private sector and business development policies and strategies.
- These conditions impact negatively on the sustainability of innovation and cluster competitiveness facilitation activities and calls for increased attention.
- In addition to governments and development partners, also global companies have an important role to play by providing market based opportunities to act as incubators for African businesses aiming at moving up the value chain. Such business-to-business innovation incubation partnerships must be further encouraged.
- Because African countries to a large extent share many similar challenges and unique opportunities, African competitiveness practitioners should come together to share experiences and identify most effective incentives and vehicles for how to actively facilitate a transformation towards entrepreneurship, innovation, value addition in production and competitiveness.

- African competitiveness practitioners therefore welcomed, and further encouraged, the past year's activities towards establishing the Pan-African Competitiveness Forum (PACF). By establishing PACF as a new continent-wide competence and action center for cluster-competitiveness approaches to national and regional economic development in African countries, PACF will respond effectively to the unique challenges and opportunities that African countries are facing in global competition.
- Stakeholders from participating international organizations supported their African partners and expressed a commitment to support Pan-African collaboration aiming at building capacity on innovation, value addition in production and competitiveness.
- Finally, it was agreed among the representatives from the Private Sector, NGOs, National Innovation Agencies and Donor Agencies in Nordic countries and North America to assess the joining of forces in an effort to facilitate competitiveness development in Africa in the true spirit of the Paris Declaration.

#### Specific conclusions on the Pan-African Competitiveness Forum (PACF):

- Based on the general conclusions above the stakeholders expressed that they eagerly welcome the first official meeting of PACF planned in Addis Ababa in February 2008. All stakeholders argued that they are committed to being involved in the process of conceptualizing, structuring and advancing the activities of the Forum.
- There are a number of African wide initiatives on-going and some of these share partly similar objectives on innovation and competitiveness. It is important that PACF works with – and adds to – these initiatives (Paris Declaration, African Union initiatives, NEPAD, AGOA, Pan African Productivity Association (PAPA) and more).
- PACF will coherently follow the development and content of the EU–AU S&T agreements. The scientific, technological and innovation oriented content of EU's Framework Programme and The African Ministerial Council on Science and Technology (AMCOST) plays an important role on innovation policies for both continents and are therefore regarded as important stakeholders.
- Considering the important role of also NGOs, labor organizations and social economy initiatives in productivity, competitiveness and job creation initiatives in Africa, PACF will also work closely with these stakeholders. It is of particular importance to integrate these stakeholders' experiences at grass root level in cluster building, innovation systems, micro-credit, job creation and self-help initiatives.
- PACF is currently supported by Pan African, regional and national institutions as well as by a number of development partners. It is crucial that the Forum continues to develop its activities at these different levels of governance. Activity overlap should be avoided; rather priority should be given to ensuring synergies with other African initiatives.
- PACF's working approach is bottom up and based on broad triple helix engagement i.e. businesses, knowledge institutions, government and non-governmental organisations.
- The objective of the first meeting of the PACF in Addis Ababa should be to: a) officially launch the Forum and its constitutional By-Laws; b) establish the Forum as

“a new continent-wide competence and action center for cluster-competitiveness approaches to national and regional economic development”; and c) agree to a work plan and more detailed collaboration activities.

- It is envisaged that PACF at the first meeting will produce a:
  - Declaration on the importance of competitiveness and productivity in Africa
  - Formal structure with board and secretariat (in Addis Ababa)
  - 5 year strategic plan, including framework for collaboration and resource mobilization
  - 1 year implementation plan
  - Specification of homepage and documentation centre/e-library
- Back-to-back with the first Forum a workshop shall be organized with labor organizations and social economy initiative stakeholders in order to consult these on how they can best engage in the activities of PACF.
- Also, back-to-back with the first Forum a matching event shall be organized that bring together global and African businesses with the objective to develop mutually beneficial innovation incubation partnerships that moves African businesses up the value chain.
- The first Forum itself will target participation of 200 innovation and competitiveness practitioners and other stakeholders from at least 20 African countries.
- The Steering Committee of PACF is chaired by Prof. Burton Mwamila (Tanzania) and has members from Botswana, Ethiopia, Ghana, Mauritius, Mozambique, South Africa, Tanzania, Uganda, African Union, SADC, Sida, The Competitiveness Institute, UNIDO, USAID and World Bank.
- In the process of preparing the first Forum the Steering Committee will give particular priority to ensuring outreach and legitimacy of the Forum’s activities throughout the African continent. The Steering Committee members and their regional and African networks will be instrumental in this regard.
- Also, the Steering Committee will initially give priority to organisational and membership structure as well as identification and collaboration with funding organizations.
- Sida has stepped forward with a commitment to take a lead role in executing the first Forum. Sida invites other development partners – including NGOs – to also make a necessary financial contribution. The Competitiveness Institute and African Union Commission are committed to provide important in-kind contributions.

## List of participating stakeholders

### African countries:

- Peter Chisawillo, Tanzania Chamber of Commerce Industry and Agriculture, Tanzania
- Burton Mwamila, University of Dar Es Salaam, Tanzania
- Nawangwe Barnabas, Makerere University, Uganda
- Peter Ngategize, Ministry of Finance, Uganda
- Steven Humphreys, Fintrac and Towards Leather Together, Ethiopia
- Krishnalal Coonjan, National Productivity and Competitiveness Council, Mauritius
- Kgosinkwe Moesi, Botswana National Productivity Centre, Botswana
- Antonio Jose Cumbane, Eduardo Mondlane University, Mozambique
- Sello Mosai, National Productivity Centre, South Africa
- Nigel Gwynne-Evans, Western Cape Department of Economic Development, South Africa
- Khalid Kahn, Western Cape Department of Economic Development, South Africa

### International organizations and overseas stakeholders:

- Alisao Vololoniaina, Southern Africa Development Community
- Tomas Kjellqvist, Sida
- Lena Trojer, Blekinge Institute of Technology/Sida
- Bernard Drum, World Bank
- David Fischer, USAID
- Tina Dooley-Jones, USAID
- Erik von Bahr, VINNOVA/The Competitiveness Institute
- Lars Eklund, The Competitiveness Institute
- Thomas Winther, Innogate/The Competitiveness Institute
- Aki Enkenberg, Cofisa
- Johan Rådmark, Hand-in-Hand
- Jan Sandred, VINNOVA
- Mårten Jansson, VINNOVA