An Overview, Experiences and Challenges derived from the Innovation Systems and Clusters Programme in East Africa (ISCP-EA)

Eng.Dr.J.B.Turyagyenda
Faculty of Technology,
Makerere University, Uganda
ORDER OF PRESENTATION

- History of ISCP-EA
- ISCP-EA Activities
- Implementation of the 15 Pilot Cluster Initiatives
- Experiences
- Challenges
- Conclusions and Way Forward
1.0 HISTORY OF ISCP-EA

- 10 people from EA attended the 6th TCI Global Conference on “Innovative Clusters: A New Challenge”, held in Gothenburg, in September 2003
- The 10 participants came from Mozambique, Uganda and Tanzania representing the Triple Helix constellation
- Requested the Sida/SAREC for assistance and support to hold a Regional Conference in EA.
1.0 HISTORY OF ISCP-EA Cont’d

- Feb. 2004 the 1st Regional Conference was held in Bagamoyo attended by 130 people from EA and abroad
- This conference gave birth to ISCP-EA
- Purpose of ISCP-EA, among other things, development of innovation systems and clusters in East Africa
3.0 SCP-EA ACTIVITIES

First Regional Conference in Bagamoyo, Tanzania, 18th-20th February 2004.

Objectives
- Introduction of the concept of innovation systems and innovative clusters
- Creating awareness
- Coming up with the action plan and the way forward
Activities Cont’d

National Stakeholders’ Conferences
- Uganda, December 2004, Entebbe.
- Tanzania, January 24-25, 2005.
- Mozambique, April 28, 2005.

Objectives
- Sensitisation of national stakeholders
- Refinement and adoption of the Action Plan
- Selecting of the NSC
- The way forward
The Second Regional conference; Jinja, Uganda, March 3-5, 2005.

Objectives
- To discuss and adopt the Action Plan
- Discussion of how to mobilize the funding
- Come up with agreed funding proposal
- To agree on the management structures of the ISCP-EA
- The way forward
Activities Cont’d

- **Cluster Training Workshops for Facilitators**
  - Tanzania and Uganda; Sept. 2005,
  - Mozambique June 2006
  - Tanzania August 2006 (2\textsuperscript{nd} Round)
  - About 200 facilitators trained

**Objectives**
- To train a critical mass of facilitators
- Selection criteria of the pilot cluster initiatives
- Formulation of low-budget CI Action Plan
Graduates after the Cluster training Workshop in Jinja-Uganda
Main Objectives

- Clusters and competitiveness at international level, Africa Region level and national levels
- Discuss reports and experiences by the 15 pilot cluster initiatives in Uganda and Tanzania
Activities Cont’d

- Attendance of the TCI Conferences 6th, 7th & 8th 2003, 2004, 2005 respectively
- Implementation and the management of the 15 Cls in Uganda and Tanzania
- Registration of the ISCP-Uganda
- Monitoring and evaluation of the 15 pilot initiative clusters in Uganda and Tanzania
  - By African Technology Policy Studies (ATPS)
  - By the National Steering Committee
  - By the International Team
4.0 Actual implementation of the 15 Pilot Cluster Initiatives

Selection of Pilot Clusters in Tanzania and Uganda

Selection Criteria used for Tanzania:
- Current activity level
- Availability and the potential for effective use of resources (human and physical)
- Existence of actors committed to bringing about change
- Responsiveness to expressed needs from the society
- The strategic idea and its growth potential (e.g. job creation)
- Existence of future market potential
- The ambition for renewal within the initiative
- Potential for collaboration between triple Helix members within the initiative
- Geographical focus, viz. the functional region of the initiative
Criteria for Selection Cont’d

Selection Criteria used for Uganda

- **Opportunity for early wins**
  - Cultural and social acceptance
  - Current level of cooperation

- **Growth potential**
  - Market potential
  - Sustainability

- **Innovation potential**

- **Current size**
  - Current export volume
  - Number of firms
  - Number of individuals

- **Value added to raw material/ knowledge**

- **Gender**
- **Environment**
- **Academic involvement**
- **Political impact**
- **Balance of sector/ region**
- **Donor interest and funding**

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**Key**

- **H+** - Top most priority
- **H** - High priority
- **M** - Medium priority
The 8 Pilot Cluster Initiatives in Tanzania

KEY:

AS = Arusha Seeds
BCHT = Bagamoyo Cultural Heritage Tourism
ERM = Eastern Region Mushrooms
KS = Korogwe Sisal
MFVP = Morogoro Fruit & Vegetable Processors
MMW = Morogoro Metal-Works
NFF = Nutraceuticals (Functional Foods)
ZSW = Zanzibar Sea-Weeds
The 7 Pilot Cluster Initiatives in Uganda

KEY:
- KC = Kampala Consultancy
- KBE = Kakira Biofuel-Ethanol
- KPP = Kayunga Pineapple Processing
- KMF = Katwe Metal Fabrication
- LKSP = Lake Katwe Salt Production
- UB = Uganda Basketry
- UFDoA = Uganda Fashion District of Africa
Proposed Pilot Clusters in Mozambique

- Beef Farming in Southern Mozambique
- Bandire Small-Scale Mining
- Cassava
- Maputo Logistics
- Matola Innovative Urban Solid Waste Recycling and Composting
- Meconta Cashew Nuts
- Medicinal Plants Processing
- Tropical Fruit Processing
- Wood Furniture Manufacturers
Possible Up-coming Pilot CIs in Tanzania

- Textile Handicraft, DSM
- Small-Scale Mining, Tanga/Manyara
- ICT, DSM
- Oil-seeds, Dodoma
- Building Construction, DSM
- Educational Services, DSM
- Rice Processing, Morogoro
- Wood Carvings, DSM
- Bio-Fuel, DSM
- Cassava Processing, Coast Region
- Heritage Tourism, Tanga
Pilot Cluster Activities

Short Term Pilot Cluster Activities

- Each Pilot cluster initiative developed an action plan
- These action plans were approved by the respective NSCs
- Mobilization of resources, i.e. people and others, by the facilitators
- Identification of potential cluster members
Pilot Cluster Activities Cont’d

- Visiting potential individual cluster members
- Bringing the stakeholders together
- Explaining the importance of the cluster approach
- Holding Meetings
- Holding Small seminars/workshops
- Training of cluster members
- Visiting various triple helix Organizations
- Election of the cluster leadership
- Launching of the clusters
- Holding mid-term stakeholders workshop
- Signing of MOU’s between the cluster initiatives and NSC’s
- Exhibition of Cluster products at the 3rd Regional cluster conference in Dar-es-salaam
Activities Cont’d

Identification and Formation of Village Clusters in selected districts of Uganda in conjunction with National Council of Uganda Small Business Organizations (NCUSBO)

- ISCP (U) and NCUSBO held training workshops in July 2006, in some sub-counties of Ntungamo and Kapchorwa districts.
- During these training workshops, many village clusters were identified.
5.0 ACHIEVEMENTS SO FAR

- Cluster concept somehow understood by the various stakeholders
- Leadership teams of the pilot clusters in place
- Mistrust between the cluster members minimized
- Good working relationship between the cluster leaders and facilitators
- Some clusters have been officially launched
- ISCP-Uganda registered
6.0 CHALLENGES

- General management of business enterprises
- Facilitating of the cluster is a full-time job
- Limited funds
- Lack of physical infrastructure (offices, equipment, land, show/sales rooms, etc.)
- Training and skills development
- National awareness of the cluster program to all levels
- Will the cluster concept deliver where other concepts have failed?
- Sustainability of the ISCP – EA
CHALLENGES Cont’d

- Absence of clear innovation cluster policy
- Low motivation for research in existing triple helix institutions
- Absence of firm linkages between stakeholders
- Mistrust amongst local businessmen/women and between themselves and manufacturers
- ISIC initiation and facilitation are a costly venture
Continuous innovation is crucial and also a necessary condition for business firms and countries to stay “alive”.

Early understanding of the clustering concept is key in supporting the development of competitiveness among SMEs.

For a decade or so Cluster development has helped firms and countries attain competitiveness.
Conclusion and Way forward Cont’d

There is, therefore, need to support the 15 pilot Cluster Initiatives, established through the financial support from Sida/SAREC.

More resources mobilization is crucial for the sustainability of the ISCP-EA.
Conclusions (cont’d)

- Cluster policy
  In order for the Cluster concept to take root in East Africa, the government and all stakeholders should come up with a cluster management and development policy.

- Finally if the cluster concept has worked well elsewhere, why NOT in EA?
End of Presentation

THANK YOU!