

INNOVATION FOR INCLUSIVE DEVELOPMENT SEMINAR SERIES

OPPORTUNITIES IN THE INNOVATION ECO-SYSTEM FOR INNOVATORS: FROM IDEATION TO BUSINESS DEVELOPMENT

CONCEPT NOTE

28 NOVEMBER 2024

1. INTRODUCTION AND PROBLEM STATEMENT

South Africa, like many countries globally, faces the challenge of unemployment, particularly among young people (Statistics South Africa, 2024). The youth unemployment rate stands at a concerning 45.5% for individuals aged 15-34, compared to the national average of 32.9% in the first quarter of 2024. In response, the Government of the Republic of South Africa has prioritised inclusive growth and job creation as a key objective for the 2024-2029 Medium-Term Development Plan (MTDP).

While various Government Departments within the innovation ecosystem offer programmes and initiatives aimed at innovators, particularly the youth, there remains an opportunity to increase their awareness of these initiatives, their offerings, and their requirements. Engagements with the Department of Small Business Development (DSBD) and the Department of Trade, Industry, and Competition (the dtic) suggest that there are opportunities to assist innovators with enterprise development offerings, enabling them to transition from being innovators to successful small, medium, and micro enterprises (SMMEs). There is a challenge however of reaching potential innovators in the rural Provinces of South Africa. An analysis of DSI Programs shows that support programs are primarily concentrated in the Metropolitan areas of KwaZulu-Natal, Gauteng, and the Western Cape. Nonetheless, the visibility of such Programmes in these Provinces is still minimal.

To this end, the Department of Science and Innovation (DSI), the DSBD and the dtic, in partnership with the Academy of Science of South Africa (ASSAf), will host the Innovation for Inclusive Development (IID) seminar on 28 November 2024. The partners aim to showcase and promote access to the opportunities and programmes available to support entrepreneurs and SMMEs at various stages of innovation and commercialisation; and also to forge partnerships with Municipalities to raise awareness of these opportunities.

The IID seminar series is a project initiative of the DSI, designed to provide a platform for open and collective thinking between the science policy and community of practice to generate evidence-based knowledge on Science and Technology (S&T) innovations to advance local economic development and also provide insights to support evidence-based policy and decision making to enhance service delivery.

2. BACKGROUND AND DISCUSSION

The Department of Science and Innovation's White Paper on Science, Technology, and Innovation (STI) was approved by Cabinet in 2019. This policy document outlines a long-term direction for the South African government to ensure the growing role of STI is aligned with the country's developmental challenges. Based on an extensive review of the National System of Innovation (NSI), the White Paper focuses on using STI to accelerate inclusive economic growth and to leverage global developments, such as rapid technological advancements, geopolitical and demographic shifts. The White Paper aims to ensure that South Africa benefits from the potential of STI to advance the objectives of the National Development Plan (NDP).

The concept of inclusive innovation or innovation for inclusive development, where all citizens share in the benefits, is central to the White Paper. This encompasses a broader perspective on actors, forms of innovation, and the spatial footprint of innovation. It involves supporting communities and civil society to innovate, embracing a more diverse knowledge system that includes indigenous knowledge systems (IKS) and addresses the 'de-colonisation of knowledge,' as well as using innovation to improve service delivery, government decision-making, educational outcomes, and broadband access. Inclusive innovation enhances science literacy and awareness, as well as the demographic representation in all aspects of the NSI. For example, utilising intellectual property (IP) from publicly funded research and development (R&D) to establish new firms and supporting SMMEs can transform the ownership profile of the economy (Department of Science and Innovation, 2019).

The 2019 White Paper on STI, along with the Decadal Plan, prioritise areas such as Grassroots Innovations, modernising key sectors of the economy (agriculture, mining, and the circular economy), and supporting research and development in these sectors. The DSI and the Technology Innovation Agency (TIA) are implementing various programmes, including the Grassroots Innovation Programme (GIP) and the Technology Acquisition and Deployment Fund (TADF). The GIP aims to improve inclusion, access, and equality in opportunities and participation in the science, technology, and innovation activities of the NSI. It supports all kinds of innovation and advances the goals of an inclusive and responsive innovation system.

The DSBD leads and coordinates an integrated approach to promoting and developing entrepreneurship, SMMEs and cooperatives. To create an enabling environment, the DSBD implements policy initiatives and programmes to support the development, growth, and sustainability of SMMEs and cooperatives. The National Integrated Small Enterprise Development (NISED) framework aims to facilitate the development and growth of SMMEs in various sectors of the economy. The DSBD also implements programmes such as the Incubation Support Programme, Youth Challenge Fund, Small Enterprise Manufacturing Support Programme, Township and Rural Entrepreneurship Programme, Small Enterprises Support Programme, Business Viability Programme, and Cooperatives

Development Support Programme. Some of the innovations supported through DSI programs were submitted to the DSBD for commercialisation.

The Khoebo Innovation Promotion Programme (KIPP), offered by the Department of Trade, Industry, and Competition (the dtic), assists local entrepreneurs and SMMEs with commercialisation funding. The fund provides capital and business support to SMMEs during the early stages of commercialisation, with a particular emphasis on township and rural entrepreneurs. The objective of the KIPP is to enable early-stage innovative SMMEs to penetrate the market with their locally developed innovations, resulting in a more competitive economic environment and thus facilitating economic growth in the South African economy.

3. TARGETED AUDIENCE

The seminar will target youth and innovators already participating in the programmes mentioned in section 2, as well as other interested and/or potential innovators. The current landscape demonstrates that innovation programmes are primarily focused on Metropolitan Municipalities rather than rural areas. Potential partnerships with District Municipalities could expand the spatial footprint. Therefore, the invitation will be shared with all municipalities to inform and encourage their youth desks to circulate the invite further within their localities.

4. EXPECTED OUTCOMES

The seminar is envisaged to:

- 4.1. Increase awareness of the DSI, DSBD and the dtic innovation support programmes and their requirements;
- 4.2. Bring about the development of the innovation eco-system roadmap to demonstrate the various available programmes and their requirements, from ideation to commercialisation;
- 4.3. Increase the potential for the creation of Small Medium and Micro Enterprises from commercialisation-ready technologies;
- 4.4. Increase the potential for industrialisation of supported technologies; and
- 4.5. Introduce the social innovation partnership between the Republic of South Africa and the Republic of India.