Regional Meeting on Technology and Innovation for Micro, Small and Medium Enterprises (MSMEs) in Southern Africa

**Venue:** Protea Room, Southern Sun, The Cullinan
21-23 June, 2023

Concept Note and Provisional Programme of Work
1. **Background**

1. The advent of the COVID 19 pandemic has put a spotlight on the role that Science, Technology and Innovation (STI) can play in supporting businesses, Micro, Small and Medium-sized enterprises (MSMEs) in particular, to mitigate the impacts of unexpected shocks. The pandemic and the ongoing war in Ukraine have also highlighted the critical need for African economies to reduce their dependence on commodity exports and on narrow economic and export bases and engage in economic diversification, driven by structural transformation and in emerging or new sources of economic growth. Some of the most promising prospects for economic transformation and new sources of growth lie in commodity-based industrialization, non-resource-based manufacturing, digitalization, and value-added services sectors, enabled among others, by the roll-out and uptake of STI by the private sector, including MSMEs. STI can be an important driver of productivity growth and industrial upgrading and diversification.

2. Industrialization is widely recognized as the key source of growth for the future of the Southern African economy. Promotion of industrial growth is at the core of the African Union Agenda 2063. The African Development Bank (AfDB) considers industrialization as integral for Africa’s growth. The Southern African Development Community (SADC) features industrialization as the first pillar of its Vision 2050, and the SADC Industrialization Strategy and Roadmap 2015-2063 commits its member States to make industrialization a priority to advance economic development. The Common Market for Eastern and Southern Africa (COMESA) Industrialization Policy (2015-2030) reiterates the need to reduce dependence on raw commodity exports and promote value-addition through industrialization. Lessons from the development experiences of South-East Asia, among others, indicate that industrialization could be a pathway out of poverty. The sharing of experiences and best practices within the region and across others can serve to accelerate the effective implementation of national and regional industrialization strategies.

3. The SADC Industrialization Strategy and Roadmap considers STI including digitalization as an essential driver of industrial competitiveness. The 2021 African Economic Outlook (AEO) stresses the need to launch “an accelerated digitalization— an all-out effort to harness digital technologies—to propel Africa into the Fourth Industrial Revolution (4IR) and boost job creation”. COVID-19-induced economic lockdowns and other containment measures have prompted many companies to increase their use of digital technologies. The 2021 AEO notes that “the accelerated digitalization in Africa resulting from pandemic-related containment measures continues to boost the productivity of human and physical capital in the private and public sectors” and could become an important force propelling economic development.

4. In addition, the digital sector can be an important stand-alone economic sector and act as a driver of increased efficiency in the services sector. African economies, in particular Southern Africa that account for the most services intensive economies on the continent, must not neglect the potentially transformative role of high knowledge-intensive services, such as information and communications technology (ICT), business services and digital financial services, in order to promote its export diversification (UNCTAD, 2022). The successful deployment of STI in the services sectors can contribute to enhancing its productivity growth.

5. The second-round of online business surveys, in which the United Nations Economic Commission for Africa Subregional Office for Southern Africa (ECA-SRO-SA) collaborated with the ECA African Trade Policy Center (ECA-ATPC) and International Economics Consulting (IEC), confirmed the resort

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1 AfDB (2021). African Economic Outlook: From debt resolution to growth, the road ahead for Africa.
2 UNCTAD (2022). Economic Development in Africa 2022:
3 These survey results forms part of SROSA’s planned outputs under Cluster 4 of the “Global initiative towards post-Covid-19 MSME sector”.

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to technology and innovation by African firms as a lever for addressing the economic impact of Covid-19. Indeed, while the share of e-commerce revenues remained relatively small among surveyed firms (about 16 per cent), nearly half (47 per cent) of the companies surveyed indicated that they were moving or planning to move towards innovative solutions through collaboration/partnerships.

6. Innovation and the application of technology have been widely recognized as important sources of growth, in developed and developing countries alike. Innovation may emerge as an outcome of cooperation between firms and universities/research entities or a product of Research & Development (R&D) by individual enterprises. In developing countries, innovation should be pro-actively supported by the State and supplied as a public good to MSMEs which may find the costs of R&D prohibitive. Increased uptake of STI among MSMEs can in turn benefit industrial transformation and services growth. The capacities of MSMEs to adopt technology and engage in locally adapted innovation have to be addressed through well-targeted support measures and incentives.

7. In light of the critical role that STI can play in the development of MSMEs and to enable them to be effective drivers of industrialization and industrializing through trade, the United Nations (UN) Economic Commission for Africa (ECA), through its Subregional Office for Southern Africa (SRO-SA) is currently implementing a technical assistance project, funded under the UN Development Account (UNDA) 13th tranche, titled “Innovative approaches for MSME competitiveness to promote trade and inclusive industrialization in Southern Africa in the Post-COVID context”. The objective of the project is to strengthen capacities of MSMEs in six Southern African member states (Malawi, Mauritius, Mozambique, Namibia, South Africa and Zambia) to design and apply innovative approaches to enhance their competitiveness so that they can be effective private sector enablers of trade and inclusive industrialization and build resilience to unexpected shocks such as COVID-19. The project focuses on how MSMEs can leverage innovative approaches to address competitiveness challenges during and after adverse shocks. The project has two components: the first focuses on strengthening capacities of MSMEs in the private sector to address competitiveness challenges that impede them from participating effectively in inclusive industrialization processes; and the second focuses on strengthening capacities of MSMEs in the private sector to address challenges that impede them to trade effectively.

8. As stated in the UNDA 13th tranche project document “Trade and industrialization are two sides of the same development coin”. STI should be designed, adapted and utilized to support MSMEs to address competitiveness challenges in the production of industrial goods and related services as well as in their marketing and trade. As Southern Africa tackles the impacts of COVID and the ongoing war in Ukraine, an analysis of the state of STI in the subregion and its adoption, utilization and harnessing by MSMEs in the industrial sector to address their competitiveness challenges is opportune. The project considers that industrialization can only succeed if trade opportunities are harnessed nationally, regionally or globally, and STI leveraged for upgrading, increased product and process discovery and productivity growth.

9. Against the foregoing, the ECA-SRO-SA is conducting two studies under the above-mentioned project. The first aims to develop a diagnostic assessment of the state of STI by industrial-based MSMEs in the six target countries, including an inventory of government support to industrial-based MSMEs to engage in process and product innovation, and to develop and apply technology. This is complemented by an appraisal of competitiveness bottlenecks faced by industrial MSMEs including impacts of Covid-19, and innovative approaches to addressing them. The second study aims to identify opportunities for MSMEs in the target countries to integrate into national, regional and global value-chains, and trade at higher levels and to build back better post-Covid. Field missions were undertaken by the team of consultants from February to March 2023 to collect data in the six countries, which entailed interactions with all key stakeholders.

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10. Further, through another UNDA13th tranche project titled “Global Initiative towards post-Covid-19 MSME Sector”, ECA-SRO-SA has been supporting member states and their MSMEs to address the impacts of Covid-19. The objective of the project is to develop and implement capacity building tools for governments and MSMEs to facilitate resurgence and strengthen resilience of MSMEs in developing countries and economies in transition to mitigate the economic and social impact of the global Covid-19 crisis. As part of the project activities, a survey among MSMEs was undertaken in all 11 member States\(^5\) of SRO-SA to assess the impacts of both Covid-19 and the Ukraine crisis on their businesses. Two other studies being carried out under the same project relate to building linkages between MSMEs and Southern-led Multi-National Companies (MNCs) in Southern Africa, and the role of technology incubators in MSME development in Southern Africa. The study concepts were discussed at two events organized at the SADC Industrialization Week held in November 2021 in Lilongwe, in collaboration with the SADC Business Council.

II. Objectives of the Meeting

a. Overall objective

11. The overall objective of the meeting is to provide a platform for participants to critically examine the four draft study reports in order to identify gaps, provide comments and inputs and propose recommendations, including revisions to inform their finalization. The meeting will aim to facilitate exchanges on how MSMEs could harness STI and become important drivers of industrialization and trade in Southern Africa. It will also provide a platform for Government institutions, private sector actors including MSMEs, STI community, technology incubators, academia and all relevant stakeholders to share experiences, including best practices and lessons and partnership arrangements in strengthening the capacity, and enhancing the competitiveness of MSMEs to thrive in a post-Covid era.

b. Specific objectives

12. Specifically, the meeting will:

a) Deliberate on the four draft study reports the UNDA13th tranche projects namely (i) Building linkages between MSMEs and Southern-led Multi-National Companies: the case of Southern Africa (ii) Role of technology incubators in MSME development in Southern Africa (iii) Technology and Innovation among MSMEs in Southern Africa: Case studies from selected countries and (iv) MSMEs and Value chains and trade development in Southern Africa: Case studies from selected countries;

b) Discuss the survey results on assessing the impacts of Covid-19 and the Ukraine crisis on MSMEs in the 11 member states of SRO-SA, and interrogate their implications for policy making;

c) Stimulate discussions among key stakeholders on the role of technology and innovation for MSME and private sector development in Southern Africa and assess the major gaps in relation to innovation eco-systems;

d) Reflect on main policy reforms, and partnerships on technology and innovation that need to be forged to promote productivity of MSMEs in Southern Africa;

e) Promote networking and exchanges of experiences and best practices among MSMEs and the private sector in Southern Africa;

\(^5\) Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia and Zimbabwe.
f) Promote public-private sector dialogue and collaboration in the area of R&D and technology and innovation for private sector development.

III. Format

13. The meeting will be held in a hybrid format. It will be mainly in-person but equipped with teleconferencing facilities to allow speakers who may not be able to travel to Cape Town to join virtually. The meeting will take place over a three-day period from 21 to 23 June 2023. The provisional programme of work provides details of the various sessions.

IV. Expected Outcomes

14. The meeting is expected to lead to a number of outcomes:

a) Enhanced awareness and understanding of the relevance of technology and innovation as an enabler of private sector development, trade and industrialisation in Southern Africa;

b) Enhanced appreciation of the need to foster productive and business linkages between MSMEs and MNCs in Southern Africa;

c) Increased knowledge of the role that technology incubators can play in MSME development in Southern Africa;

d) Deeper understanding of policies and strategies to leverage technology and innovation as a driver of competitiveness among MSMEs in Southern Africa;

e) Improved understanding of the constraints faced by MSMEs to access existing technologies and develop new technological tools and to penetrate in national regional and global value-chains;

f) A rich body of information to enhance the deliberations of the MSME Working Group of the SADC Business Council at the next 7th SADC Industrialisation Week to be held in Luanda, Angola from 31st July to 4th August;

g) Well-articulated comments, inputs and recommendations to inform the finalization of the study reports.

V. Expected Outputs

a) A report highlighting the key messages and main policy recommendations of the Regional Meeting on Role of Technology and Innovation for MSMEs in Southern Africa that will inform the twenty-ninth session of the Intergovernmental Meeting of Senior Officials and Experts (ICSOE) for Southern Africa to be held in Gaborone in November 2023;

b) Press releases;

c) Articles in the media.

VI. Participants

15. Senior representatives of the Ministries or Agencies in charge of MSMEs and Ministries or Agencies in charge of technology and innovation in the 11 member states of ECA-SRO-SA; Chief Executive Officers of National Chambers of Commerce and Industry and other senior representatives of national business associations in the 11 member states of ECA-SRO-SA; members of regional organizations such as COMESA, SADC, COMESA Business Council and SADC Business Council and other relevant stakeholders, in addition to national experts/consultants of UNECA and UNECA Staff.
VII. Date and Venue

16. The meeting will be held from 21-23 June, 2023, Southern Sun, The Cullinan, Cape Town, Republic of South Africa.

VIII. Language

17. The meeting will be conducted in English.

IX. Administrative arrangements

18. This will be provided in the logistical note.

X. Contacts

19. Further information on the meeting and any other related matters should be addressed to:

   Ms. Bineswaree Bolaky
   Economic Affairs Officer
   Sub-Regional Initiatives Section
   United Nations Economic Commission for Africa
   Sub Regional Office for Southern Africa
   Lusaka, Zambia
   E-mail: bineswaree.bolaky@un.org

   Mr. Mundia Hangubo (Logistics)
   Programme Management Assistant
   Sub-Regional Initiatives Section
   United Nations Economic Commission for Africa
   Sub Regional Office for Southern Africa
   Lusaka, Zambia
   E-mail: mundia.hangubo@un.org
## Provisional Programme

### Day One: Wednesday 21\textsuperscript{st} June 2023

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<tr>
<th>Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>08:30-09:00</td>
<td><strong>Registration of Participants.</strong></td>
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<tr>
<td></td>
<td>Master of Ceremony: <strong>Mr Mluleki Dlamini</strong>, Director, MSME Department, Ministry of Commerce, Industry and Trade, Kingdom of Eswatini.</td>
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<tr>
<td>09:00-10:00</td>
<td><strong>Opening Session:</strong> Welcoming Remarks by <strong>Ms. Isatou Gaye</strong> on behalf of the Director, United Nations Economic Commission for Africa Subregional Office for Southern Africa (ECA-SRO-SA).</td>
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<td></td>
<td>Statement by <strong>Mr. Peter Varndell</strong>, Chief Executive Officer, Southern African Development Community Business Council.</td>
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<td>Statement by <strong>Mrs. Nomvula Makgotlho</strong>, Acting Deputy Director General, Department of Small Business Development, Republic of South Africa.</td>
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<td>10.00-10.10</td>
<td>Group Photo.</td>
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<td>10.10-10.30</td>
<td>Tea and Coffee Break.</td>
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<tr>
<td>10:30-11:15</td>
<td><strong>Session 1: Overview of the Mandate and Work of SADC Business Council and the UNECA Subregional Office for Southern Africa (ECA-SRO-SA)</strong></td>
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<td>Moderator: <strong>Ms. Isatou Gaye</strong>, Chief, Subregional Initiatives Section, ECA-SRO-SA.</td>
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<td>Presentations:</td>
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<tr>
<td></td>
<td>1. The SADC Business Council, <strong>Mr. Peter Varndell</strong>, Chief Executive Officer, SADC Business Council.</td>
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<td>2. Overview of the mandate and work programme of ECA and ECA-SRO-SA, <strong>Mr. Ian Filakati</strong>, Knowledge Management Officer, ECA-SRO-SA.</td>
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<td>3. Overview of the UNDA13th tranche projects of ECA-SRO-SA on MSME Development, <strong>Ms. Bineswaree Bolaky</strong>, Economic Affairs Officer, ECA-SRO-SA.</td>
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<td>Q&amp;A (15 mins).</td>
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<td>11:15-12:45</td>
<td><strong>Session 2: Technology and Innovation among MSMEs in Southern Africa - Case Studies from Selected Countries.</strong></td>
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<td>Moderator: <strong>Mr. Mzwanele Mfunwa</strong>, Economic Affairs Officer, Sub-Regional Initiatives Section, ECA-SRO-SA.</td>
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<td>Presentation:</td>
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<td>▪ Technology and Innovation among MSMEs in Southern Africa - Case studies from selected countries, <strong>Mr. Chux Daniels</strong> (University of Sussex) and <strong>Ms. Flora Ismail Tibazarwa</strong> (EcoTek Tanzania Consulting), UNECA Consultants.</td>
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<td>Q&amp;A (45 mins).</td>
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<td>12:45-14:00</td>
<td>Lunch Break.</td>
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### Session 3: MSMEs and Value-Chains and Trade Development in Southern Africa - Case Studies from Selected Countries

**Moderator:** Ms. Bineswaree Bolaky, Economic Affairs Officer, Sub-Regional Initiatives Section, ECA-SRO-SA.

**Presentation:**
- MSMEs and Value-Chains and Trade Development in Southern Africa - Case Studies from Selected Countries, Mr. Nicholas Charalambides (Imani Development) and Mr. Khwima Singini (Imani Development), UNECA Consultants.

Q&A (45 mins).

### 15:30-16:30

*Tea and Coffee Break and Networking.*

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### Day Two: Thursday 22nd June 2023

**Master of Ceremony:** Mr Mluleki Dlamini, Director, MSME Department, Ministry of Commerce, Industry and Trade, Kingdom of Eswatini.

**09:00 – 09:45**

**Session 4: Technology and Innovation in Southern Africa and Africa**

**Moderator:** Ms. Isatou Gaye, Chief, Subregional Initiatives Section, ECA-SRO-SA.

**Presentations:**
1. Overview of the work of the SADC Secretariat on Technology and Innovation, Mr. Johansein Rutaihwa, Senior Programme Officer on Industrialization, SADC Secretariat.
2. Overview of ECA’s initiatives on Technology and Innovation in Africa, Mr. Mactar Seck, Chief, Technology and Innovation Section, Natural Resources, Technology and Climate Change Division, UNECA (Virtual).
3. The 29th session of the ICSOE for Southern Africa in 2023, Mr. Mzwanele Mfunwa, Economic Affairs Officer, ECA-SRO-SA.

Q&A (15 mins)

**09:45 – 10:00**

**Session 5:** Guest Speaker: Dr. McLean Sibanda, Managing Director, Bigen Global Ltd.

*“Nuts & Bolts: Strengthening Africa’s Innovation and Entrepreneurship Ecosystem”*

Q&A (15 mins).

**10:45- 11:00**

*Tea and Coffee Break.*
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<tr>
<th>Time</th>
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| 11:00-12:30 | Session 6: MSMEs and Southern-led Multinational Companies in Southern Africa | Moderator: **Dr. Verena Tandrayen-Ragoobur**, Associate Professor, University of Mauritius.  
Presentation:  
- Building linkages between Micro, Small and Medium-sized enterprises (MSMEs) and Southern-led Multi-National Companies (MNCs) - the case of Southern Africa, **Professor Vito Amendolagine** (*University of Foggia*), UNECA Consultant.  
Q&A (45 mins) |
| 12:30-13:30 | Lunch Break.                                |                                                                                                                                             |
| 13:30-15:00 | Session 7: Technology Incubators in Southern Africa | Moderator: **Ms. Isatou Gaye**, Chief, Subregional Initiatives Section, ECA-SRO-SA.  
Presentation:  
- The Role of Technology Incubators in MSME Development in Southern Africa, **Dr. McLean Sibanda** (*Bigen Global Ltd*), UNECA Consultant.  
Q&A (45 mins) |
| 15:00-16:00 | Tea and Coffee Break and Networking.         |                                                                                                                                             |

**Day Three: Friday 23rd June 2023**

Master of Ceremony: **Mr Mluleki Dlamini**, Director, MSME Department, Ministry of Commerce, Industry and Trade, Kingdom of Eswatini.

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<th>Time</th>
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| 09:00 – 11:00 | Session 8: Impacts of Covid-19 and Ukraine Crisis on MSMEs in Southern Africa-Evidence from Surveys. Part One. | Moderator: **Ms. Bineswaree Bolaky**, Economic Affairs Officer, Sub-Regional Initiatives Section, ECA-SRO-SA.  
Presentations:  
- Introduction, **Mr. Mads Knudsen** (*Vanguard Economics*), UNECA Principal Investigator.  
- Evidence from Zimbabwe, **Mr. Johannes Chiminya**, UNECA Consultant.  
- Evidence from Botswana, **Mr. Ernest Makhwaje**, UNECA Consultant.  
- Evidence from Eswatini, **Mr. Lunga Simelane**, UNECA Consultant.  
- Evidence from Lesotho, **Mr. Motebang Mokoaleli**, UNECA Consultant.  
- Evidence from Malawi, **Mr. Mads Knudsen**, on behalf of **Dr. Charles Mwatsika**, UNECA Consultant.  
Q&A (40 mins) |
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<td>11:00-11:15</td>
<td><strong>Tea and Coffee Break.</strong></td>
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| 11:15-13:00 | **Session 9: Impacts of Covid-19 and Ukraine Crisis on MSMEs in Southern Africa - Evidence from Surveys. Part Two.**  
Moderator: **Ms. Isatou Gaye**, Chief, Subregional Initiatives Section, ECA-SRO-SA.  
Presentations:  
- Evidence from Mauritius, **Dr. Verena Tandrayen-Ragoobur**, UNECA Consultant (Virtual).  
- Evidence from Mozambique, **Mr. Luis Sitoe**, UNECA Consultant (Virtual) and Ms. Carmen Macheve.  
- Evidence from Namibia, **Mr. Daniel Oherein**, UNECA Consultant.  
- Evidence from South Africa, **Mr. Bheki Mfeka**, UNECA Consultant (Virtual).  
- Evidence from Zambia, **Mr. Mambo Chiluwe**, UNECA Consultant.  
- Evidence from Angola, **Mr. Carlos Lopes**, UNECA Consultant (Virtual).  
Q&A (45 mins) |
| 13:00-14:00 | **Lunch Break**                                          |
| 14:00-14:45 | **Session 10: Impacts of Covid-19 and Ukraine Crisis on MSMEs in Southern Africa: Evidence from Surveys. Part Three.**  
Moderator: **Mr. Tulo Makwati**, Regional Trade Advisor, GIZ  
Regional Impact and Summary of Evidence, **Mr. Mads Knudsen** (Vanguard Economics), UNECA Principal Investigator.  
Q&A (30 mins) |
| 14:45-15:00 | **Closing Remarks and Vote of Thanks**  
- **Ms. Isatou Gaye**, on behalf of the Director, ECA SRO-SA.  |
| 15:00-16:00 | **Tea and Coffee Break and Networking**  
**END OF MEETING** |