

# The African Economic Outlook (AEO) 2009

An annual report from the OECD Development Centre, the African Development Bank (AfDB) and the United Nations Economic Commission for Africa.

Tuesday, June 16th, 2009, UN Headquarters ECOSOC Chamber

## Part II:

### **Innovation in ICT: How can Africa benefit?**

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# Discussant Summary

The African Economic Outlook, 2009 Report

Innovation in ICT: How can Africa benefit?



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# What is driving ICT innovation in Africa

- The impetus

- Bazaar of untapped ideas and talents
- Motivation to experiment with new technologies
- Everyone wants a “virtual handshake”
  - Desire for integration, Connectivity & Reaching out

...”Africa is making strides in technological and scientific development and innovation”, Page 136.



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# ICT enablers in Africa

“Poverty is caused by a lack of opportunity, and not by an absence of talent or entrepreneurship in the human spirit”. Manobi Foundation

- Internet & Gadgetry

- From dial-ups to 3<sup>rd</sup> generation high speed networks
- From few offices to Internet cafes to Medium Earth Orbit (MEO) satellites
- Simple mobiles & services to 2<sup>nd</sup> generation Global System for Mobile (GSM)
- GSM to Social software (39.1% owned a mobile in 2008)

- Open Source, OER, Open Content

- Education & Training, health care, Business models



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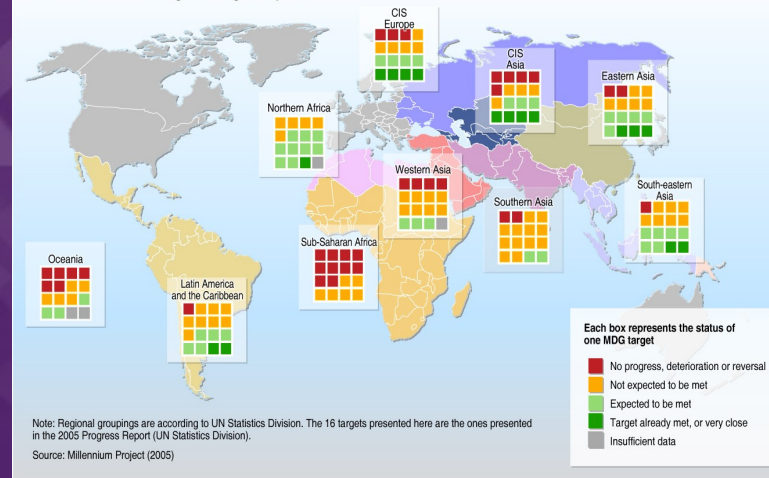
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# ICT benefits for African

- Key element in economic growth
- Driver for emerging knowledge economies
- Spin innovation through R&D
- MDGs 2000-2015 for Africa
  - Some progress have been made
  - But we need ICT in the ratio  
**Transfer 20%, organically grow 80%!**

Millennium Development Goals overview  
Trends toward meeting the targets by 2015



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# Projects and Initiatives for Sustainable ICT in Africa

- ECA/AAU ICT R&D project (VarsityNet initiative)
  - Use of FLOSS to develop e-gov applications/LUGs/Networks
- Africa (ASKIA) indigenous knowledge repository
  - users must be able to mix, remix and collaborate
- SAT-3 Internet infrastructure
  - connect Africa to the rest of the world
    - Operation and management
- NEPAD
  - Computerizing and networking services by 2025
    - e-schools, e-banking, e-agriculture



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# Tech sectors movers & ICT jet-lag

- Mobile & Telecommunication
- e-reforms (e-agriculture, e-government)
  - Portals of egov. services
  - EU importers will go paperless by 2011?
  - UNeDocs to promote e-trade
- e-waste infrastructure for electronic recycling
- e-education
  - Capacity building & skill shortage
  - Microsoft, IBM, CISCO training centers
  - AfDB centers of excellence,
  - ITU Youth Edu. Scheme (YES),
  - UNCTAD-Connect Africa project,
  - InfoDev's Business Incubator



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## Investment in ICT sector

- Poor Investment with private sector involvement
- ICT markets response to downturn
- Partnership with donors and global markets
- ICT “market help-desk” - Commodities and pricing
- Networked Readiness Index (NRI)
  - 2007 - 2008; bottom of the worldwide rankings
  - 2008 - 2009; 9 countries in the top 100
    - (Denmark 1<sup>st</sup>, Tunisia 38<sup>th</sup>, South Africa, Egypt, Botswana, Senegal ,Morocco, Nigeria, Gambia, Kenya 97<sup>th</sup> )



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## ICT stumbling blocks

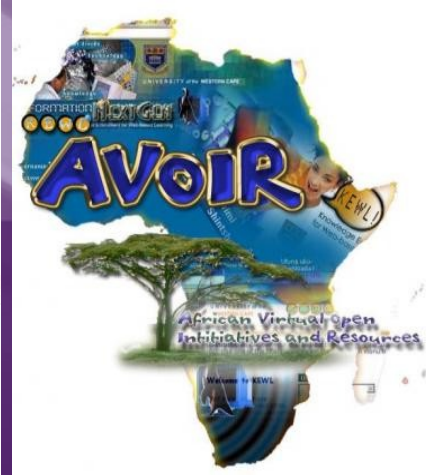
- Regulation/deregulation of ICT markets
- Lack of level playing field to promote competition
- Procurement & ICT policies
- Conducive environment to promote Investment & entrepreneurship
- Inadequate education & skills training
- Connectivity and Infrastructure
- Awareness/Advocacy & Technology lock-ins ?



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## Hidden & Not well documented ICT Innovation in Africa

### ICT change has come to Africa

- FLOSS Business market
  - Open source business models enables SMEs to build, innovate and generate revenue with minimal start-up cost.
- FLOSS Education
  - Linux training certification and open source education.
- Software development & Service
  - Self-employment, outsourcing, community driven, localization, customization.



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# The African FOSS Business Models for ICT-based SMEs

- Challenges for ICT-Based SMEs in Africa
  - Access to credit
  - Inadequate infrastructure
  - Lack of skilled labour force for product development
  - Difficulty in winning contracts
  - Inability to resell proprietary solutions
    - (Copyright restrictions)
  - Lack of professionalism in running business
  - Poor marketing skills
  - High cost of material for training and re-training

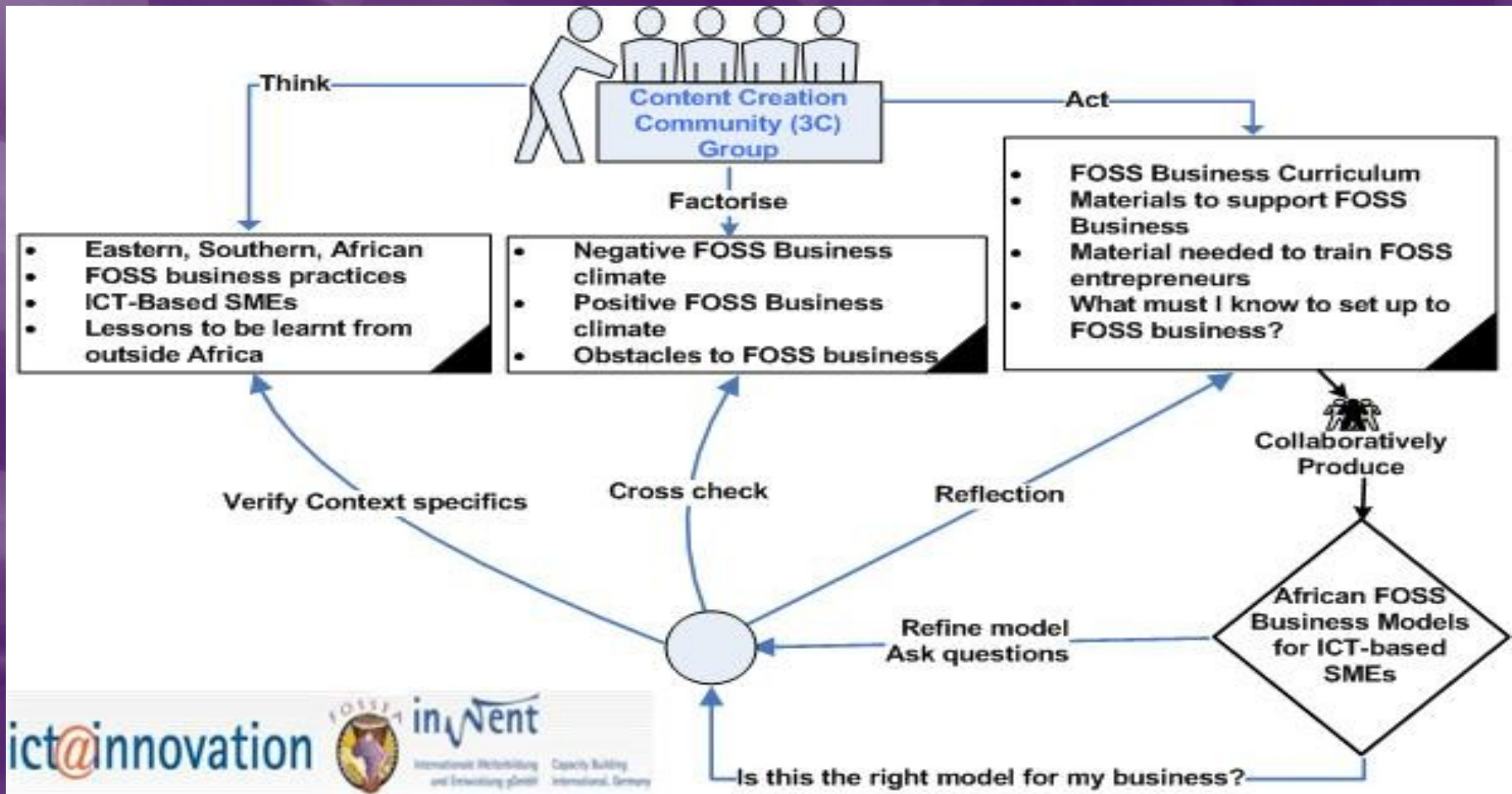


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## African FOSS Business Syllabus - collaborative development, Case Studies, scenario building, workshops, seminars.



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