

# Supporting Regional Science and Technology in Africa

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# Africa's S&T Consolidated Plan of Action

- The framework used to define the needs addressed in this study.
- The CPA expresses the need to mobilise financial and technical support for implementation of work programmes
- This study identifies and reviews stakeholder groups that could support implementation

# Relevant Stakeholder Groups

- **African Nations**
  - Highest priority should be given to obtaining support from African nations
- **Private Sector**
  - WSSD (Jo-burg Summit) and UN Conference on financing for development stress the need for private sector engagement
- **International Donor Community**
  - Some donors have expressed a willingness to support implementation of the CPA.

# Africa's Ability to Contribute

- The 1<sup>st</sup> AMCOST meeting resolved that nations should move to spend 1% of GDP on S&T.
  - Similar levels are seen in many successful economies
- Contributions to regional programmes could be assessed on a similar basis.
  - A level equivalent to 5 % of national S&T expenditure would be similar to the approach adopted by the European Union.
  - This equates to 0.05 % of GDP

# 0.05 % of GDP

- 2004 figures: this represents US\$ 395 million
- Constraints:
  - Other competing demands (e.g. health, education)
  - Other regional research programmes (e.g. CAADP's research component)
  - The need to build political support (e.g. Finance ministries)
- 5 countries, represent 63 % of total economic activity
  - South Africa, Algeria, Egypt, Nigeria and Morocco.

# Potential Contributions???

- Are large economies willing to contribute according to their economic activity?
  - Would they expect to get back the same amount as contributed?
- How can countries with a high ODA/GNI ratio likely make significant contributions?
  - Contributions may need to be linked to external development assistance.

# Creating National Support

- The benefits of regional S&T programmes need to be expressed in terms of potential contributions to national economic, human and social development.
  - Poverty reduction and the MDGs.
- Inclusion of S&T as a priority action in national development plans (e.g. PRSP or equivalent) will create an environment for government investment.

# The Private Sector

- In many successful economies, private sector investment in R&D (S&T) exceeds 2 % of GDP.
  - 2 to 3 times higher than public sector.
- Currently low levels of investment by the private sector in Africa.

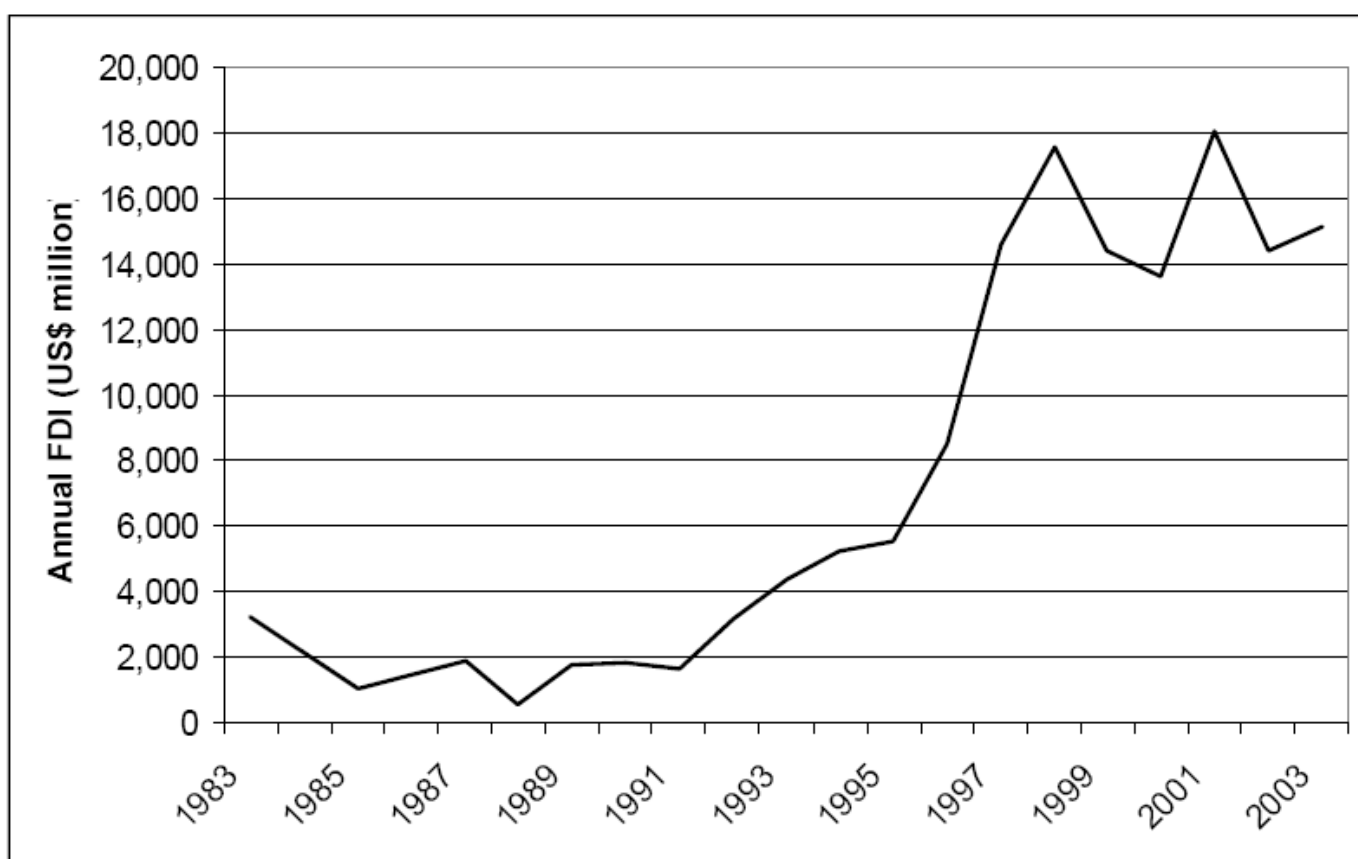
# Private Sector Engagement

- Promoting African investment in S&T
  - What measures can promote investment?
- Maximise the benefits from Foreign Direct Investment (FDI)
  - Good data on flows of FDI from OECD members into Africa.
  - More limited information on emerging economies (China, India, Brazil).

# Investing in S&T

- Promote partnerships between public and private sectors.
- Address Intellectual Property issues.
- Build Human Capacity.
  - Post-primary and higher education are important.
  - Need to build capacity throughout professional life (Lifelong Learning).
- Infrastructure
- Create fiscal incentives.

# Foreign Direct Investment



2 Foreign Direct Investment (FDI) net inward investment in Africa by OECD members in 2003. (OECD, 2006b).

- 87 % to 3 countries
  - South Africa
  - Morocco
  - Egypt
- Emerging economies becoming significant source of FDI
  - e.g. China
- Need a strategy to engage FDI to develop S&T capacity.

# The Donor Community

Country	Africa	Global	Africa (%)
France	4,503.9	7,329.4	61.4
World Bank (IDA)	4,484.8	9,189.8	48.8
United States	4,447.2	20,852.4	21.3
European Commission	3,770.3	9,431.7	40.0
United Kingdom	2,454.5	6,773.6	36.2
Japan	2,372.7	14,414.4	16.5
Germany	1,593.1	5,846.0	27.3
Netherlands	1,244.4	3,976.9	31.3
African Development Bank	1,056.8	1,056.8	100.0
Portugal	808.7	890.4	90.8
Sweden	676.2	2,787.8	24.3
Canada	642.5	2,724.3	23.6
Norway	626.9	1,866.2	33.6
International Monetary Fund	591.9	1,203.7	49.2
Belguim	564.2	1202.0	46.9

2004 OECD Data: Development Assistance Committee

# Profiling the Donors

- See detailed report for profiles of top 15 donors.
- It is clear that some donors have approaches which are potentially supportive of the CPA
  - A number are already engaged in support of the CPA
  - There is potential to engage others
- Some donors will have difficulty supporting the CPA.

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# Priority Donors (Table 5, pg 36)

Donor Country	Comments
France	Currently supporting water programme. May be willing to provide wider programmatic support of the CPA.
World Bank	May have difficulty in providing direct support of the CPA, but likely to be willing to align investment at country level if the need for regional activities are articulated in national PRSPs.
European Commission	Likely to be willing to contribute programmatic funds through the European Development Fund. May also be able to issue specific calls under the 7 <sup>th</sup> Framework Programme in support of CPA priority areas.
United Kingdom	Currently providing support for implementation of the CPA. Has expressed an interest in providing ongoing programmatic support for future activities.
Japan	Currently unlikely to provide programmatic support, but may be able to align activities, especially in the area of capacity building.
Germany	Not currently likely to become a major supporter of the CPA. The G8 process in 2007 may be an opportunity for engagement with Germany, through the African Partners Forum
Netherlands	A potential partner, but more likely to form links with specific projects at country level.
Sweden	Currently provides some support for the CPA, and has a significant international profile supporting research for development. Has expressed interest in supporting the CPA. Sweden's interest in aid effectiveness means that they may be willing to consider programmatic support under the terms of the PDAE
Canada	Currently support activities within the CPA relating to biosciences and S&T indicators. Current activities are supported by IDRC. There may be greater potential in seeking programme support from CIDA. Canada is making slow progress on untied aid and this may restrict their methods of operation
Norway	Has expressed interest in supporting some components of the CPA. Norway is interested in the aid reform agenda and may be willing to consider programmatic support under PDAE terms

# Donors likely to support CPA

- **France**
  - Currently supporting water. May provide wider support of CPA
- **European Commission**
  - European Development Fund
  - FP7 may have specific calls
- **United Kingdom**
  - Currently supporting implementation of CPA

# Donors likely to support CPA

- **Japan**
  - Currently unlikely to provide programmatic support.  
May align activities
- **Germany**
  - Not currently likely to be major supporter of the CPA
  - May be opportunities through 2007 G8
- **Netherlands**
  - Potential partner, but more likely to form links at country level

# Donors likely to support the CPA

- **Sweden**
  - Currently supporting CPA process
  - Supporting Paris Declaration process
- **Canada**
  - Currently supporting CPA process
  - Limited progress on untied aid
  - Need to engage directly with CIDA
- **Norway**
  - Expressed interest in CPA
  - Active in aid reform agenda

# The Future of Aid

- Since the Millennium Declaration there have been significant changes in the way that aid is delivered.
- The 2005 Paris Declaration on Aid Effectiveness (PDAE) gives important guidelines:

# PDAE Principles & the CPA

- **Ownership**
  - Partner countries provide leadership through CPA
- **Alignment**
  - Donors should base their support on the CPA
- **Harmonisation**
  - Common arrangements for planning, funding & M&E
- **Managing for Results**
  - Focus on desired outcomes, including using strategic plans (e.g. CPA) and PRSPs
- **Mutual Accountability**
  - The role of AMCOST is a great strength
  - Joint assessment of implementation and progress

# The Future?

- **Bilateral donors continue to reform their systems:**
  - United States currently undergoing major reform
  - Many European donors may change in response to the new EU Development Policy.
- **A shift to multilateral support:**
  - A logical next step to alignment and harmonisation?
  - The EC's development budget is an example. Plans to reform support for the EDF within next decade.

# Conclusions

- Promoting African public sector investment in the CPA is *essential*.
  - Document likely economic and development benefits.
- The private sector needs encouragement
  - Look at the “enabling environment”
- Some donors are willing to support the CPA
  - Need to understand the changing nature of development assistance.