

EABF 2022 Business Declaration - Digital Innovation Working Group

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Sectoral Overview and Priority

Digital innovation and much higher levels of digital inclusion hold large promises for African businesses and citizens. The Working Group holds the firm belief that in order to realise this largely untapped potential, the following aspects need to be addressed: (i) the fragmentation of the African innovation ecosystem; (ii) the relative lack of digital skills and the insufficient engagement of talent, especially concerning youth and women; (iii) the difficult access to business development services, including the access to finance for MSMEs and startups; and (iv) the shortage of reliable and resilient infrastructure, both digital and non-digital (e.g., warehouses, smart logistics and electricity). Addressing these aspects will allow for African businesses and startups to be more productive, and to create jobs locally while at the same time tapping into the global demand.

The priority solution to address these challenges sustainably is fostering cutting-edge models of transcontinental business cooperatives with a multi-stakeholder approach that use novel and/or multiple technologies. These should involve startups, MSMEs, corporations, universities, investors, governments and financial institutions. Their objectives include changing the currently dominant 'silo' approach, exchanging know-how, consolidating combined expertise, and contributing to the innovation cohesion of the European and African continents.

A combined approach is needed to make this approach a reality where European and African businesses and policymakers operate in concert.

Business Outcomes

- The European and African business organisations in this working group will intensify their collaboration to improve and augment the existing networks of Digital Innovation Hubs in Africa to deal with digital capacity building for businesses (MSMEs, startups, women, and youth). This Business Outcome aims for shared prosperity and includes both offline (e.g., matchmaking events between the targeted stakeholders) and online approaches. The online approach could encompass inclusive continental online platforms and marketplaces, learning centers, and Research and Innovation Centers.
- AeTrade Group will take the lead in mobilizing funds that support bridging the digital infrastructure gaps in Africa to achieve universal connectivity by 2030, mobilize investment for large-scale solar-powered laptop and smartphone manufacturing facilities in Africa and Europe in a twinning arrangement. This should be operational by 2025 with the target to distribute 20 million devices a year to bridge the digital divide.

Call for Action:

We call upon European and African Heads of States and Governments with the support of the international community to scale up their collective ambition to direct investments towards digital infrastructure deployment and inclusive ecosystems that support startups and MSMEs, women, and youth on both continents to be the key drivers for digital innovation, job creation, and sustainable development as outlined in SDG 2030 and DTS 2020 -2030 which is in line with Agenda 2063.

We call on policymakers to have a positive bias towards cutting-edge models of transcontinental business cooperatives, and treat them preferentially e.g., with respect with taxes and the removal of red tape. A particular focus needs to be given to the technologies behind the Fourth Industrial Revolution such as advanced connectivity, robotics and automation, data science and artificial intelligence. They will bring new tools and methodologies that impact how we train, teach, and learn through augmented reality, virtual reality, social learning, and more.

An instrument should be put into place to be the one-stop-shop for Africa that gives a broad support to these cutting-edge models of transcontinental business cooperatives with respect to expertise, market access, best-practice exchanges and access to finance (e.g., inspired by the EU 'COSME' program).