

Official Activity Report – KAS Digitalization Conference

Introduction

The KAS Digitalization in East Africa Conference, was convened in collaboration with the Konrad-Adenauer-Stiftung (KAS) and the German Chamber of Commerce (AHK), hosted in Arusha, Tanzania, from November 8th-10th, 2023 at the Four Points Sheraton Hotel.

The overarching theme of the conference was the **'Future of the Digital Economy and Emerging Technologies for Sustainable Development.'** This theme underscored the importance of leveraging digitalization as a catalyst for positive change in the East African region.

This three-day event aimed to bring together key stakeholders, policymakers, experts, and industry leaders. The conference kicked off with a start-up competition at the Westerwelle Start-Up House Arusha on the first day, followed by two days of in-depth panel discussions and workshops.



Target Group and Rationale

The target groups for this conference included policymakers, industry leaders, young entrepreneurs, civil society organizations, academia, and regional/international stakeholders. The rationale behind the conference was rooted in addressing the low productivity and competitiveness of the East African Community (EAC) economy.

The focus on digitalization stemmed from recognizing the transformative potential of digital technologies in fostering economic growth, social development, and sustainable innovation.

2.1 Subject-matter of the Measure

The conference achieved a constructive exchange of ideas through various dialogues, contributing to increased knowledge among participants. It facilitated a platform for stakeholders to discuss and develop high-quality policy recommendations. The start-up competition successfully brought together innovative minds, focusing on Digital and Industrial Solutions in key sectors such as ICT, Green Tech, Logistics & Mobility, Tourism & Agriculture.

Session 1: Bridging the digital space between European Union and East Africa



Jean Kukunda, the Vice Chairperson of Startup Uganda and Managing Partner at the Circular Design Hub, provided valuable insights in a session focused on bridging the digital space between the European Union (EU) and East Africa. The discussion emphasized the challenges and opportunities inherent in addressing the digital divide between these regions and outlined strategic approaches for collaboration.

Kukunda highlighted the comparative advantages that both the EU and East Africa bring to the table. She underscored the EU's technological expertise, cutting-edge research, and innovation centers, positioning it as a valuable source for knowledge transfer. In contrast, East Africa's youthful population and rich natural resources were identified as assets that could drive innovation and sustainable economic growth through digital initiatives.

The collaborative strategies proposed by Kukunda centered on addressing common challenges. Infrastructure disparities, a critical obstacle to digital integration in East Africa, were addressed through a call for prioritized investments in digital infrastructure such as broadband connectivity and data centers.

The session also emphasized the importance of skills development and education programs, particularly in STEM fields, to narrow the existing digital literacy and skills gap.

Regulatory harmonization was identified as crucial for effective digital cooperation. Kukunda advocated for the establishment of joint task forces involving policymakers from the EU and East Africa to develop common standards, facilitating seamless digital trade and collaboration. Additionally, cybersecurity concerns were addressed through proposed joint initiatives for awareness, information sharing, and the development of regional frameworks to safeguard digital infrastructure and data.

The session highlighted the significance of public-private partnerships in driving innovation, sharing expertise, and creating sustainable business models. Kukunda emphasized the potential for market expansion opportunities, joint ventures, trade agreements, and investments, contributing to economic growth on both sides.

Furthermore, the collaboration between the EU and Africa was presented as timely, with a focus on incubating and accelerating smart solutions in various sectors, including health, fintech, ed tech, and sustainable energy. The efforts aimed not only to support African startups and SMEs in Europe but also to assist European innovators in scaling up across Africa, addressing global challenges such as pandemics and climate change.

The session also touched upon gender disparities in digital access in Africa, with findings indicating a significant gap in digital usage between men and women. Kukunda stressed the importance of EU-Africa digital collaboration in promoting a shared digital future that addresses gender imbalances, fostering high digital inclusion and adoption. Closing the gender digital divide was positioned as a key element in ensuring equal access to diverse opportunities in the digital space for both men and women.

Comparative Advantages discussed for Digital Cooperation:

Technological Expertise in the EU: The EU possesses advanced technological infrastructure and expertise, including cutting-edge research and innovation centers. Collaborating with East Africa can provide an avenue for the transfer of knowledge, skills, and technology.

Youthful Demographics in East Africa: East Africa has a youthful population eager to embrace digital technologies. This demographic advantage can be harnessed to drive innovation and create a dynamic digital ecosystem, fostering economic growth and sustainability.

Natural Resource Wealth in East Africa: East Africa is rich in natural resources crucial for the production of digital devices and renewable energy. Sustainable partnerships between the EU and East Africa can ensure responsible sourcing of materials and promote green technologies.

Market Expansion Opportunities: Bridging the digital divide opens new markets for both the EU and East Africa. Collaboration can lead to the development of joint ventures, trade agreements, and investment opportunities, fostering economic growth on both sides.

Common Challenges and Strategies for Execution: Feedback from Breakout Session Groups



Infrastructure Disparities: Addressing the digital divide requires substantial investments in infrastructure development. Many parts of East Africa lack reliable internet connectivity and digital infrastructure, hindering the seamless integration of technology into daily life.

Skills and Education Gap: A significant challenge lies in the gap in digital literacy and skills. A comprehensive strategy should include initiatives for capacity building, training programs, and educational reforms to empower the workforce with the necessary skills.

Regulatory Harmonization: Divergent regulatory frameworks in the EU and East Africa can impede digital cooperation. Establishing harmonized regulations and standards will create a conducive environment for cross-border collaboration and investment.

Cybersecurity Concerns: As digital integration increases, the risk of cyber threats rises. Developing robust cybersecurity measures and fostering collaboration on cybersecurity initiatives are critical to ensuring the secure exchange of information.

Strategies for Execution:

Investment in Infrastructure: Prioritize investments in digital infrastructure, such as broadband connectivity and data centers, to ensure widespread access to technology in East Africa.

Skills Development and Education Programs: Implement targeted programs to enhance digital literacy and skills in East Africa, focusing on STEM education and vocational training to meet the demands of the evolving digital landscape.

Regulatory Collaboration: Establish a joint task force for regulatory alignment, bringing together policymakers from the EU and East Africa to develop common standards that facilitate digital trade and cooperation.

Public-Private Partnerships: Foster collaboration between governments, businesses, and civil society. Public-private partnerships can drive innovation, share expertise, and create sustainable business models that benefit both regions.

Session 2: The political environment for entrepreneurs and start-ups in Germany



Annika Schröder, the KAS Advisor for Trade, Economics, and Climate, delivered a comprehensive overview of the political environment for entrepreneurs and startups in Germany, highlighting the key factors that contribute to the country's robust startup ecosystem.

Schröder began by emphasizing Germany's stable and well-established political system, which combines social democracy with a social market-oriented economy. The government's commitment to innovation and technology is evident in policies designed to encourage entrepreneurship and support the growth of startups. She outlined how the political landscape, characterized by stability and a commitment to innovation, plays a pivotal role in shaping conditions for startups to thrive.

The policy frameworks discussed by Schröder underscored Germany's dedication to creating a conducive environment for startups. Measures aimed at easing the process of doing business, reducing administrative burdens, and streamlining bureaucratic processes were highlighted. Additionally, she pointed out the significant support provided by the German government through funding programs, grants, and initiatives facilitated by organizations like KfW and the European Investment Fund (EIF).

Research and Development (R&D) incentives emerged as a crucial aspect of Germany's approach to fostering innovation. Tax incentives and grants are available to startups engaged in cutting-edge research, reflecting a commitment to pushing the boundaries of technological advancement.

The political economy of Germany, as discussed by Schröder, intersects with startup emergence through a commitment to maintaining a competitive and technologically advanced economy. The emphasis on education, research, and innovation aligns with the government's vision of Germany as a global leader in technology.

Schröder also outlined considerations for a conducive startup ecosystem. Continued investment in education and skill development was highlighted as essential to ensure a pool of talented individuals contributing to the startup landscape. Striking a balance between regulatory oversight and fostering innovation was emphasized, with ongoing efforts needed to adapt regulations to the rapidly evolving nature of startups.

The importance of public-private partnerships in providing startups with resources, mentorship, and networking opportunities was underscored. Furthermore, Schröder highlighted the need for continued investment in digital infrastructure, including high-speed internet and supportive technology platforms, as a key factor in enhancing the overall environment for startups to flourish.

In conclusion, Schröder summarized that the political environment for startups in Germany is favorable, marked by a supportive policy framework, financial incentives, and a commitment to fostering innovation. While acknowledging existing challenges, she emphasized ongoing efforts to address regulatory issues and promote collaboration between the public and private sectors, positioning Germany as a thriving hub for startups on the global stage. The sustained commitment to the outlined principles, as highlighted by Schröder, is expected to further enhance the conducive environment for startups in Germany as the political landscape continues to evolve.

Session 3: Digital Economy and Entrepreneurship: Road towards AfCFTA



This session moderated by Dr. Kathryn Devos, centered on the pivotal role of the digital economy in Africa's transformative era, catalyzed by the African Continental Free Trade Area (AfCFTA). The panel, featuring Annika Schröder, Laura Althaus, Dr. Ponsian, and Dr. Eliaza Mkuna, highlighted the potential of technology to bridge the digital divide and foster economic integration.

The panel acknowledged Africa's progress in the digital economy, citing increased internet penetration, mobile phone usage, and the flourishing tech ecosystems in countries like Kenya, Nigeria, and South Africa. Notably, Laura and Annika provided valuable insights from the EU perspective, emphasizing the importance of market access, integration, and collaborative innovation in the digital realm.

AfCFTA was underscored as a game-changer, offering vast market opportunities for digital products and services. Entrepreneurs, as emphasized by the speakers, can scale their businesses and foster cross-border collaboration. The significance of the digital economy in job creation, particularly for the youth, was highlighted as a positive outcome.

However, challenges persist, with insufficient digital infrastructure, digital illiteracy, regulatory disparities, and cybersecurity concerns posing hurdles. Dr. Eliaza Mkuna shed light on the African perspectives, emphasizing the need for strategic investments and collaborative frameworks to address these challenges.

Strategies for maximizing impact were proposed, including investments in digital infrastructure, comprehensive digital literacy programs, collaborative regulation, the promotion of innovation hubs, and public-private partnerships. These strategies, as discussed by the panel, aim to create an environment conducive to innovation, entrepreneurship, and inclusive growth.

In conclusion, the success of Africa's digital potential under AfCFTA hinges on concerted efforts from governments, businesses, and the international community. The session emphasized the need for strategic investments, collaborative frameworks, and a commitment to fostering an environment conducive to innovation and entrepreneurship. The EU perspectives from Laura and Annika, combined with the insights from Dr. Eliza Mkuna on Africa's unique challenges, provided a comprehensive overview of the opportunities and challenges in Africa's digital economy on the road towards AfCFTA.

Session 4: Policy Frameworks and Incentives to support the growth of a vibrant Digital Economy in East Africa



In this session - Mark Mwidu Kabirizi, an Investment Planner at the National Planning Authority in Uganda, articulated key considerations and strategies for fostering a vibrant digital economy in East Africa through effective policy frameworks and incentives. Kabirizi emphasized the pivotal role of decision-makers in creating an enabling environment for digital startups. A crucial consideration he highlighted is the need for robust infrastructure development, both in terms of reliable internet connectivity and investments in digital infrastructure such as data centers, cybersecurity measures, and digital payment systems.

Policy frameworks were underscored as critical tools for shaping the digital landscape, with a particular focus on creating an amenable regulatory environment. Kabirizi advocated for streamlining bureaucratic processes to facilitate easier registration and operation for startups. He also recommended the establishment of regulatory sandboxes, allowing startups to test innovations in a controlled setting. Education and skills development were identified as essential components, with a call to promote digital literacy and incorporate digital entrepreneurship into educational curricula.

Access to finance emerged as a significant factor, and Kabirizi proposed offering incentives for investors, including tax benefits, and encouraging financial institutions to provide tailored financial products for startups. Government collaboration was highlighted through the promotion of public-private partnerships and cross-border cooperation to foster a seamless digital ecosystem.

The emergence of a digital economy, Kabirizi argued, hinges on the importance of well-crafted policies. These policies serve as catalysts for stimulating innovation, attracting investments, ensuring market stability, and promoting inclusive growth. However, he acknowledged several challenges that decision-makers need to address.

These challenges include the lack of coordination among government departments, slow regulatory responses to technological advancements, limited investment in digital infrastructure, concerns about data privacy, restricted access to funding for startups, and the persistent digital divide.

In conclusion, Kabirizi stressed the need for decision-makers to continuously adapt policies to the dynamic nature of the digital landscape. A vibrant digital economy in East Africa, he emphasized, is contingent on a well-designed policy environment that fosters innovation, entrepreneurship, and inclusive growth.

Session 5: Innovative digital solutions and transformative technologies in various sectors, such as agriculture, finance, and healthcare



Dr. Kathryn Devos, the Co-founder and Executive Director of Underwriting Africa Specialty, provided valuable insights into the transformative landscape of East Africa, emphasizing the pivotal role of innovative digital solutions in sectors such as agriculture, finance, and healthcare. Dr. Devos identified critical challenges impeding the region's digital evolution, including inadequate infrastructure, power supply issues, and a significant digital literacy and skills gap.

The hurdles presented by infrastructure limitations, particularly in rural areas, were underscored by Dr. Devos. Insufficient digital literacy among the population and a shortage of skilled professionals in emerging technologies further hinder the effective utilization and development of digital tools, posing challenges to East Africa's capacity for innovation.

Despite these challenges, Dr. Devos highlighted a spectrum of opportunities for the region. In agriculture, precision farming utilizing IoT devices and market access platforms connecting farmers directly to consumers were identified as promising avenues. The finance sector could benefit from expanding access through mobile money platforms and implementing blockchain for transparency. In healthcare, the adoption of telemedicine and health information systems emerged as transformative solutions for underserved regions.

To address the challenges and capitalize on opportunities, Dr. Devos proposed a comprehensive strategy for building capacity for innovation in East Africa. This strategy encompassed investments in education and training, promotion of STEM education, public-private partnerships, regulatory reform, and infrastructure development. Notably, fostering collaborations between governments, private sector entities, and NGOs was emphasized, along with the creation of adaptive regulatory frameworks and investments in digital infrastructure.

Dr. Devos concluded by offering key recommendations for East Africa's digital transformation. A national innovation strategy tailored to sector-specific needs, initiatives to enhance digital literacy, and the establishment of regulatory sandboxes for controlled testing of new technologies were among the proposed actions. Additionally, international collaboration with governments, organizations, and private entities was advocated to share best practices, leverage global expertise, and access funding and resources.

In essence, Dr. Kathryn Devos outlined a roadmap for East Africa, positioning the region at the forefront of digital transformation. By strategically addressing challenges, seizing opportunities, and fostering collaboration, East Africa can pave the way for inclusive and innovative development across agriculture, finance, and healthcare. The key lies in cultivating a collaborative ecosystem that values creativity, inclusivity, and adaptability.

Session 6: Digital Skills and Capacity Building for Innovation and Digital Transformation

Opolot Nicholas Akwang, the Innovation Focal Point for KAS Uganda, facilitated a plenary on Digital Skills and Capacity Building for Innovation and Digital Transformation, featuring notable panelists including Laura Althaus, Co-Founder Start Hub Africa, Henry Kulaya, Ismail Biro, and Dr. Kathryn Devos, Co-Founder Underwriting Africa.

The session emphasized the pivotal role of digital skills in propelling East Africa towards significant economic growth. Highlighting the importance of fostering innovation, driving economic growth, and enhancing global competitiveness, the speakers underscored the necessity of a digitally proficient workforce.

Drawing inspiration from the European Union (EU), the discussion delved into key strategies and lessons. The EU's success lies in its holistic digital strategies, public-private partnerships, and adaptive programs that ensure a workforce capable of navigating the digital landscape.

To replicate this success in East Africa, the speakers proposed several building blocks for collaboration. Stakeholder engagement emerged as a crucial component, emphasizing the need for governments, private sector entities, academia, and civil society to collaborate and advance a shared vision for digital skills development. Curriculum development, infrastructure investment, and public-private partnerships were also highlighted to align training programs with industry needs and facilitate effective digital skills training.

The session also touched upon cross-border collaboration among East African countries, promoting resource-sharing and addressing regional challenges in digital skills development. Continuous monitoring and evaluation were advocated to ensure the effectiveness of digital skills programs, emphasizing the importance of data-driven adjustments for continuous improvement.

In the context of the EU-Africa digital collaboration, the session highlighted the opportunity for the integration of digital markets between the two continents. The collaboration is poised to create a single digital market in Africa through legal frameworks, regulatory harmonization, and institution strengthening.

Improved and affordable internet broadband connectivity resulting from this collaboration is expected to enhance access to online training, enabling Africa to catch up with developed nations in science, technology, and research. The subsequent digital infrastructural development is anticipated to create job opportunities, fostering employment and productive citizen engagement. Overall, the session underscored the transformative potential of digital skills and collaboration for East Africa's innovation and digital transformation journey.

2.2 Contribution to Objectives

The measure significantly contributed to the objective of fostering dialogue and cooperation among East African countries to leverage digitalization for economic growth, social development, and sustainable innovation. The identification of challenges, exchange of best practices, and development of actionable strategies were central to the conference's success.

3.1 Observed Results

From the discussions, it became evident that the EAC faces challenges in unlocking the potential of ICT due to a lack of digital skills and qualified workers. The collaboration between EAC and EU, facilitated by the Digital for Development (D4D) Hub, emerged as a promising initiative.

The D4D Hub aims to assess the current state of digital transformation and explore opportunities through the "Team Europe" initiative.

The discussions highlighted that universities need to align their curricula with the private sector's needs and support young innovators. The collaborative effort under the D4D Hub, in line with the Global Gateway strategy for the EU, aligns harmoniously with ambitious goals for the African continent.

4.1 Monitoring Methods

To measure results and outcomes, the conference utilized various monitoring methods, including follow-up interviews, media analysis, and participatory observation. These methods aimed to capture the diverse perspectives and experiences of participants.

Evaluation of the Measure

5.1 Comparison of Intended and Observed Results

The conference was successful in achieving its intended results. The discussions and initiatives, especially those related to digital skills development, bridging the digital divide, and fostering cross-sector collaboration, align with the conference's objectives.

5.2 Challenges and Inhibiting Factors

While the conference demonstrated success, challenges persist in aligning educational curricula with the evolving needs of the digital economy. The road ahead may require overcoming institutional barriers and ensuring sustained collaboration among stakeholders.

Key Recommendations from the Discussions

1. Digital Skills Development Strategies:

- Effective strategies for developing digital skills across sectors.
- Roles of educational institutions, governments, and the private sector in aligning curricula with the digital economy.

2. Bridging the Digital Divide and Inclusion:

- Initiatives to bridge the digital divide and ensure inclusion.
- Contributions of public-private partnerships in making digital technologies accessible.

3. Digital Innovation for Sustainable Development:

- Ways digital innovation can drive sustainable development.
- Examples of successful digital innovation and their replicability.

4. Cross-Sectoral Collaboration and Knowledge Exchange:

- Mechanisms for fostering cross-sector collaboration.
- Strategies for knowledge exchange between East African and European counterparts.

5. Preparing for the Future of Emerging Technologies:

- Workforce preparation for emerging technologies.
- The role of continuous learning in navigating challenges and opportunities.

Conclusion

The KAS Digitalization in East Africa Conference successfully brought together diverse stakeholders to address the region's digital challenges. With constructive discussions and initiatives, the conference has set the stage for continued collaboration, emphasizing the transformative potential of digital technologies for sustainable development in East Africa.