

Fund launched to empower young tech entrepreneurs

A transformative fund to empower innovators and tech entrepreneurs from higher education institutions was officially launched by the Department of Science and Innovation (DSI) and the United Nations Development Programme (UNDP) on Monday, 25 March.



Source: [Unsplash](#)

The Higher Education Innovation Fund is aimed at students aspiring to become innovators and tech entrepreneurs emerging from Technical Vocational Education and Training (TVET) colleges and universities.

“This will be done through programmes that support general entrepreneurship, ideation, and design thinking,” said Higher Education, Science and Innovation Minister, Dr Blade Nzimande, speaking at the launch in Pretoria.

He informed the audience that the stakeholders aim to fill the gaps in the current set of tools and programmes available to support innovation and technology entrepreneurship nationwide.

“This will be done through, among others, supporting business model development, validation and development of tech-

entrepreneurship, support commercialisation, market access and IP [intellectual property] protection, and supporting scale-up and investor readiness.”

According to Nzimande, there is a need for a well-coordinated, integrated and responsive innovation-entrepreneurship ecosystem to support student innovators and tech-entrepreneurship in higher education.

The parties are also looking at sufficiently funding an innovation-entrepreneurship ecosystem and for all partners to back the “ecosystem”.

In addition, the fund also aims to train and up-skill student tech entrepreneurs, who are capable of developing and commercialising competitive innovative products, and to support the establishment and management of sustainable tech-enterprises.

Unemployment

The department said the fund represents a beacon of hope in addressing youth unemployment, inequality, and poverty by fostering the growth of the knowledge economy.

While South Africa grapples with youth unemployment, Nzimande noted a concerning trend of increasing unemployment among graduates, as reported by Statistics South Africa (Stats SA).

He highlighted a few challenges that characterise innovation and entrepreneurship in the post-school education and training (PSET) sector, including poor coordination across the ecosystem, a weak culture of entrepreneurship and innovation, and a lack of support and networks at institutions of higher learning.

He raised concerns about students’ limited exposure to entrepreneurial opportunities, mentoring and coaching, and a small number of innovation leaders in TVET colleges.

Another stumbling block, he added, was the lack of early seed funding and incentives.

“These challenges are more acute in TVET colleges and historically disadvantaged universities,” Nzimande said.

Background

The fund’s establishment process began with a Memorandum of Understanding signed between Nzimande's department and UNDP in 2021.

The Higher Education Innovation Fund is provided by the 2019 White Paper on Science, Technology, and Innovation (STI), which according to Nzimande, acknowledges the challenge of high youth unemployment in the country.

“Further to this, our Decadal Plan commits my department to transformation and inclusion of the marginalised, in terms of demographic, institutional and geographical transformation of the National System of Innovation.

“This is why innovation for inclusion is a theme that runs across all chapters of our Decadal Plan and overlaps with many of the Policy Intents of the White Paper on STI,” the Minister explained.

Nzimande’s department and the UNDP are the lead partners, while the Technology Innovation Agency (TIA) recently joined as a co-funder and potential implementer of some programmes and looking for more donors.

“Equally important, in a couple of months, two calls for proposals will be publicised for interested parties with suitable programmes and expertise to apply,” said the Minister.

Nzimande said they were looking to grow the Higher Education Innovation Fund to R1bn.

He also used his platform to invite private sector companies and other funding institutions to come on board and help achieve this objective.

“The Higher Education Innovation Fund is a first for our PSET system and country. Also, this fund has great potential to become a game changer in terms of the production of student innovators and tech entrepreneurs and by extension, helping us to address the interconnected challenges of skills development and youth unemployment.”

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