

IMPROVING RESEARCH AND INNOVATION FUNDING FOR UNIVERSITIES AND THE ENTIRE NSI



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Research and Innovation are key drivers for:

- competitiveness
- economic growth
- better life for all

The challenge to invest more in research, innovation and education remains a key priority under the current tight budgetary constraints

South Africa's medium-term Strategic Framework (2014-2019) includes a policy target for increasing Research and Development (R&D) Expenditure to 1.5% of the Gross Domestic Product (GDP)

According to R&D Surveys (HSRC, CEST II) Gross Expenditure on R&D as percentage of GDP

2010	0.87
2011	0.76
2012	0.76
2013	0.76

**Peaked at 0.95%
(2006/07)**

Government is the largest funder of R&D (45.4%), and Business the second largest funder (38.3%)

Most of the funding for R&D from:

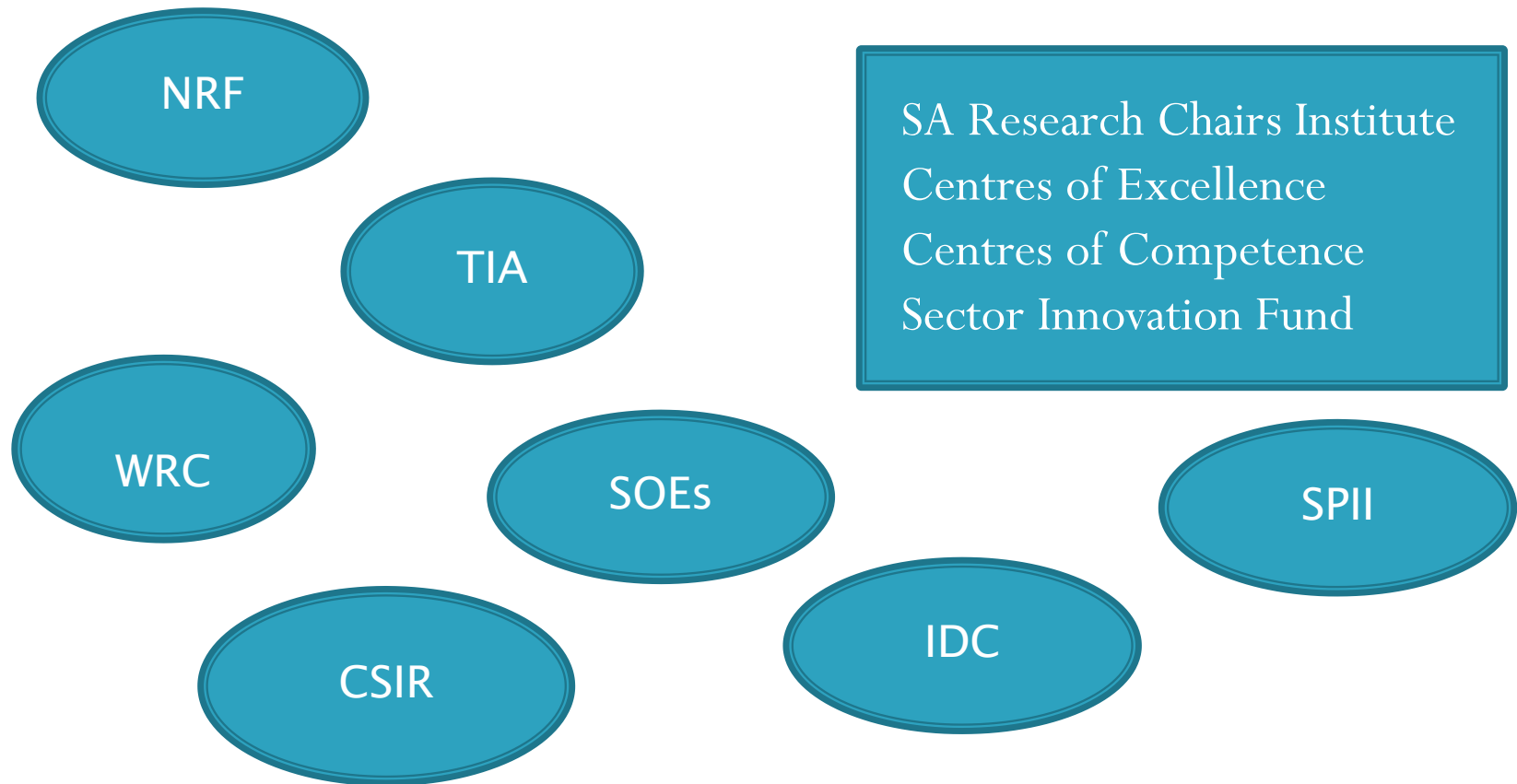
- (i) government goes to higher education and science councils
- (i) business stays within business

Business in R&D has declined steadily

Decline in business investment in R&D

- Global access to competitive R&D
- Focus on 'do more with less'
- Re-emergence of a different kind of collaboration
- Not necessarily MORE funding, BUT new opportunities for innovation

National System of Innovation – appropriate Funding Instruments



QUESTION: Effectiveness & Efficiency?

Enabling Policies

- Human Capital Development
- Research Infrastructure
- Incentives for increased private sector investment in R&D
- International co-operation in science and technology

Recommended Policy/Strategies for Enhanced Research Funding

- Against the backdrop of fiscal constraints – effective and efficient application of existing funding
- Growth-enhancing policies
- Implementation of Ministerial Review Committee recommendations
- Leverage ‘key focus area’ funding across Ministries in a co-ordinated manner

Recommended Policy/Strategies for Enhanced Research Funding

- Growth in international partnerships
 - VISA challenges
- Stimulate the SME - sector
- Exploit a 'Procurement/Offset' model with SoE's and Industry