

Annexure 1: Recommendations and Management Response based on the Implementation/Impact Evaluation of the Support

Programme for Industrial Innovation (SPII)

Policy and programme design recommendations

RECOMMENDATION	RECORD OF AGREEMENT OR DISAGREEMENT	REASONS FOR DISAGREEMENT IF IN DISAGREEMENT
1. SPII should clearly define its objectives, with corresponding targets, and its achievement of these should be measured annually. There should be clear recognition that SPII cannot be directly responsible for the short-term fulfilment of job creation, economic growth, or competitiveness targets, but that it can play an indirect role in contributing to the achievement of these outcomes. A draft logframe has been developed and can be completed by the SPII team.	Disagree	<p>SPII has clear objectives as listed below.</p> <ul style="list-style-type: none"> Identify, promote and encourage the development of technologies relevant to the needs of the country. Assist to develop a technology infrastructure that meets existing and future needs of industrial development and global competitiveness. Support development of new technologies and ensure that products and processes are commercialized <p>the dti recognizes that there is no direct link between SPII and job creation however new technology might increase competitiveness and enable firms to expand their labour force</p>
2. SPII's mandate to support and enhance innovation in business/industry should not be overwhelmed by a mandate to address direct job creation. SPII is not an enterprise development fund. The	Agree	

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developments in products, productivity, scale and skills requirements that result from successful innovation will lead to long term economic growth and job creation. The direct and indirect benefits have been made explicit in SPII's theory of change (presented on Page 21).		
1. SPII should continue to stimulate innovation in products/processes and in geographical areas where opportunities are the greatest.	Agree.	In addition to this recommendation, SPII should increase its geographical spread and create opportunities where they do not exist

Implementation recommendations

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2. The application appraisal process should more rigorously assess an applicant's prospects of successful commercialisation as a key criterion.	Agree	
3. SPII should adopt less of a one-size-fits-all approach to its application and funding processes, which should differ according to scheme. Consideration should be given to the creation of specialist teams of programme managers within each scheme with specific skills sets for the types of firms they assess and fund.	Disagree.	In an ideal situation, this is a good recommendation. Creation of specialist teams of programmes within each scheme will drastically increase the operational costs that the department intends to reduce in support for increased project costs.

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4. In order to strategically build a project portfolio, consideration should be given to: collectively considering applications at a limited number of defined points in a year, allocating defined but flexible funding amounts to each of the three schemes per funding round, and adopting a more targeted and proactive marketing approach.	Disagree.	Funding projects per predetermined rounds generally limit the ability for providing support immediately. The nature of support provided by SPII requires flexibility. SPII is adequately marketed and proactive marketing will lead to over subscriptions above the limited budget allocated
5. Greater linkages with other innovation actors and programmes in the private and public sectors should be encouraged. SPII should consider explicitly addressing the lack of business skills amongst some of its funded projects, particularly SMEs, through improved linkages to training programmes, incubators and other competent service providers.	Agree	
6. SPII should formalise internal processes that generate lessons from applications, from successful and unsuccessful projects, and from applicants' feedback following each funding round.	Agree	
7. A web-based platform for applications, internal appraisals and project reporting data (during and post	Agree.	It is also recommended that the confidentiality of data and other project

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funding) should be established.		information should be protected since there is risk associated with exposing individual's intellectual property
8. A set of indicators for success of SPII itself should be determined, linked to the objectives and targets (particularly the commercialisation of approved projects) highlighted in its theory of change, and benchmarked against the scheme's previous performance.	Agree	
9. Recipients of SPII funding should have greater accountability to SPII to report progress on the funded project once the funding period has ended by, for example, clearly stating reporting requirements in contracts and the use of automated emails reminding grantees of their contractual obligation to report with a link to the web-based platform.	Agree	
10. SPII should remain a specialised innovation fund located within a specialised fund management institution and maintain a focused, flexible and opportunity driven approach.	Disagree	Yes, SPII is a specialised innovation fund however there is no proven correlation between its location within a specialised institution and its effectiveness. The efficacy of SPII largely depends on a good relationship between policy developers and policy implementers to ensure that there is no gap between what was planned and what actually occurred as a result of policy. SPII requires a location that will provide a team of technical, business and IT experts to undertake proposal assessment, technical

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		and economic due diligence services with a focus on grant funding viability and project monitoring.

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