



The FinHub

A STUDY TOUR LIKE NO OTHER

The MPhil in Financial Technology class of 2021 along with the Algorand-UCT Financial Innovation Hub travelled to Zug and Zurich in Switzerland to learn more about disruptive blockchain and fintech technologies. Also known as "Crypto Valley", Zug is home to the world's leading blockchain companies and foundations. Recent reports estimate that there are 960 crypto and blockchain startups in Switzerland, making it the most ideal location to learn from the world's greatest.

The group was hosted by companies such as Flovtec, Vereign AG, Cardano Foundation, AlgoTrader and Bitcoin Suisse. During the sessions with these companies, the students were given an opportunity to hear from founders and senior executives about the growing blockchain ecosystem in Switzerland.



Newsletter Highlights

STUDY TOUR 2022

AFRICAN STARTUP AWARDS

SWISS-SOUTH AFRICA BLOCKCHAIN

AFRICA'S DIGITAL IDENTITY





The group also participated in a bilateral workshop hosted by the University of Zurich Blockchain Centre. This workshop had presenters from both the University of Cape Town and the UZH Blockchain centre. Titose Chembezi and Francisco Rutayebesibwa presented the Nautilus Wallet. PhD Candidate Julian Kanjere presented FoodPrint, a blockchain startup he established during his MPhil in Financial Technology. Takunda Chirema from the Algorand-UCT Financial Innovation hub also had the opportunity to present Axone, an NFT startup he developed.



"The FinTech study tour to Switzerland was a peek into what is happening on the global scene with blockchain technology. Seeing crypto ATMs, bitcoin cards and even crypto asset service provider ads on airport billboards gave a strong sense of the art of the possible when regulators, innovators and citizens find common ground and adopt this emerging technology. The highlight for me was spending a day in Zug (also known as Crypto Valley) where the drive and passion for innovation from each blockchain startup we engaged with was palpable and infectious!" -



Julian Kanjere

"The study tour was amazing - definitely opened my eyes to opportunities and new ways of thinking. All the speakers we visited were so interactive and happy to answer all our questions. Switzerland was beautiful and I loved exploring the city on our days off" -

Rachel Swallow

AFRICAN STARTUP AWARDS

On 14 June, Anda Ngcaba, our Chief of Operations (COO) participated in a panel discussion at the African Startup Awards. The theme of the panel was "Unlocking Africa's Growth and Cascading Opportunities Through Blockchain and Digital Assets". During this panel discussion, Anda emphasised the importance of education if the African continent wishes to take advantage of the opportunities blockchain presents.





The panel discussion explored real-world use cases of Blockchain in the African market and the growing recognition for the role technology plays in addressing some of Africa's greatest challenges. Anda stressed the importance of Africans leveraging blockchain to change how they engage in politics, economics, finance and society.



"Blockchain education is important. We need people to come together to show the strength of what blockchain can do for the ecosystem"... "Blockchain has so much potential. The African continent needs blockchain as much as blockchain needs the African continent." – **Anda Ngcaba**

SWISS-SOUTH AFRICA BLOCKCHAIN COLLABORATION

On 7 July, Vice-Chancellor Professor Mamokgethi Phakeng and a University of Cape Town confederation hosted the Swiss Ministerial Delegation at the New Engineering Building at UCT. The visit formed part of a bilateral education, research and innovation cooperation between Switzerland and South Africa which began in 2019.

The event started off with VC Professor Phakeng welcoming the delegation as well as opening remarks on behalf of the Swiss delegation from Mr Guy Parmelin, Head of the Federal Department of Economic Affairs, Education and Research.

The event focused on financial technology and its applications on the continent. According to a report by the World Economic Forum, Africa's digital economy is expected to contribute roughly R2.9 trillion to the region's growth by 2025.

With an education system not producing the necessary skills for the labour market, it's the government, private sector and educational institutions' responsibility to address the skills gap and decrease youth unemployment. UCT offers a unique perspective and teaches skills that are in demand.



In 2018, UCT developed the only dedicated FinTech Master's programme in Africa – the Master of Philosophy specialising in Financial Technology. The course is convened by Associate Professor Co-Pierre Georg who is also the director of the Algorand-UCT Financial Innovation Hub. Associate Professor Georg spoke about the need to address individuals who are excluded from the digital economy.



With rolling blackouts from ESKOM, and an unpredictable, unreliable system – Sun Exchange uses solar power to keep schools, businesses and organisations across South Africa powered while closing the funding gap for energy.

Mathias Ruch, CEO and co-founder of Crypto Valley Venture Capital (CV VC), also spoke of the pending launch of CV Labs Cape Town on Friday, 8 July. “The CV Labs will run incubation programmes and help start-ups develop.” CV VC invests in early-stage startups and has a private-public partnership with the Swiss government.

There were three pitches from Julian Kanjere (founder and CTO of FoodPrint Labs), Lucia Newnham (COO of Nautilus) and Abraham Cambridge (founder and COO of The Sun Exchange). All companies presented a unique solution, using blockchain, to the various problems faced in South Africa and Africa.

“With 70% of the food supply produced by smallholder and subsistence farmers, FoodPrint is a farm-to-fork marketplace connecting farmers, buyers and service providers using WhatsApp.” – Julian Kanjere



Through the use of blockchain, Nautilus allows data creators to own their data. “Nautilus is the next step in the evolution of cloud computing,” says VC Professor Phakeng.



Mathias says that CV VC has invested in 50 startups with 12 from Africa in the regions of Nigeria, Ghana, South Africa and Egypt.

This visit from the Swiss delegation will reinforce investment in South Africa and the continent as well as facilitate the essential growth in Africa's digital economy.



AFRICA'S DIGITAL AGENDA

On May 27, Digify Africa held a Twitter space to discuss Africa's digital agenda. The space Qhakaza Mohare, included players from industry - Algorand-UCT Financial Innovation Hub COO Anda Ngcaba, founder and CEO of GovChat Eldrid Jordan and SVP Anna Collard from KnowB4.

With the youngest population in the world, the opportunity for growth in Africa is massive but only if the youth are empowered to realise their potential.

When asked what role government plays in the digitisation of Africa, Eldrid said that the government used GovChat to engage with citizens online and inform them of Covid-19. The pandemic compelled the government to embrace Information and Communications Technologies (ICTs).

In 2014, 55 African countries adopted the Convention on Cyber Security and Personal Data Protection, also known as the Malabo Convention but only 14 have signed. This is indicative of how Africa is treating cybersecurity. Anna said that South Africa does have some regulations in place, but that there is no enforcement or capabilities to act.

There is also a severe shortage of skills in the field. Talking to the New York Times in 2018, Cybersecurity Ventures predicted that by 2021, there would be almost four million unfilled cybersecurity jobs. With a youth unemployment rate of close to 65%, it is crucial that the South African government places initiatives to up-skill the youth.



On the upside, fintech is attracting more funding in Africa. By 2021, Nigeria received the lion's share of 51.7%, South Africa 19.9%, Egypt 15.6% and Kenya 6%. "Fintech players are incorporating blockchain technology and e-commerce is also addressing issues of financial inclusion - start-ups are offering lending and borrowing," Anda Ngcaba.

SMMEs are the biggest contributor to the economy and need access to credit. Anda says that we need to create more innovations like digital wallets and involve mobile network operators for mobile money.

According to Eldrid, the government has made Africa's digital identity a priority with the spectrum auction that was released which will see a decrease in the price of data. He says that the government is also digitising more processes.

For Anna, skills development, which will address unemployment, and the regulation of the crypto environment should be a priority.

There are many factors that hamper the growth of Africa's digital economy - lack of mobile money, critical infrastructure, digital security and exorbitant data prices. Government has a responsibility to create an environment where citizens are able to participate.



@AlgoUCThub



Algorand-UCT Financial Innovation Hub



<https://www.finhub.org.za>