



Concept Note



**BOLSTERING PRODUCTIVE CAPACITIES IN THE FACE OF COVID 19 PANDEMIC FOR
INCLUSIVE, SUSTAINABLE ECONOMIC AND INDUSTRIAL TRANSFORMATION**



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1. BACKGROUND AND CONTEXT

1.1 The SADC region is endowed with diverse natural resources, including almost all of the key minerals for feedstocks into regional manufacturing, agriculture, construction, power and other sectors. That notwithstanding, the SADC region has not been able to industrialize and achieve structural transformation. The share of manufacturing to GDP for the SADC region has actually declined from 17.6% in 1990 to 13% in 2013.

1.2 In addition, in part due to lack of productive capacity, increasing intra SADC trade through the SADC Free Trade Area has not been possible, as the value of intra-SADC trade has remained very low, at only 17% of total SADC trade. Exports from the region remain dominated by unprocessed or minimally processed products, mainly from the agricultural and mineral sectors, thus providing very low value returns.

1.3 In light of the above, the 34th SADC Heads of State and Government Summit, in August 2014 in Victoria Falls, Zimbabwe adopted the Summit Theme: “SADC Strategy for Economic Transformation: Leveraging the Region’s Diverse Resources for Sustainable Economic and Social Development through Beneficiation and Value Addition”. This Theme reflected the urgent need for beneficiation and value addition to the region’s natural resources. Summit also directed the Secretariat to develop the SADC Industrialization Strategy and Roadmap.

SADC Industrialisation Strategy and Roadmap

1.4 The SADC Industrialization Strategy and Roadmap (2015-2063) was subsequently developed and approved in Harare, Zimbabwe, in April 2015. In order to give impetus to the industrialization process, Summit also approved the Revised Regional Indicative Strategic Development Plan (RISDP) 2015-2020, which prioritizes Industrial Development and Market Integration and places industrialization at the centre of the regional integration agenda and directed the Secretariat to develop a Costed Action Plan for implementing the Industrialization Strategy. The Action Plan was developed and approved in March 2017.

1.5 The Strategy seeks to economically and technologically transform the SADC region through beneficiation and value addition to the region’s diverse resources. It seeks to address the development challenges of the region by progressively moving from a factor-driven development phase to investment and efficiency-driven phase, and ultimately to a high a regional economy driven by knowledge, innovation and business sophistication.

1.6 The Strategy is anchored on three pillars: Industrialization, Competitiveness and Regional integration. It covers the years 2015 to 2063, which is a deliberate policy decision to align it with the African Union Agenda 2063. The Phase I of the period covers the remaining period of the RISDP (2015-2020) and constitutes a period of active frontloading of the Industrial Development and Market Integration component of the RISDP and related infrastructure and services support to industrialization.

1.7 The Action Plan identifies a number of milestones that must be implemented by 2020, including the development of at least 10 regional/global value chain and value addition strategies from each of the following 6 areas: agro-processing, mineral beneficiation, pharmaceuticals, consumer goods, capital goods and services.

1.8 It is important to note that the SADC Industrialization Strategy and Roadmap acknowledges the central role of various stakeholders including but not limited to Member States, financiers, technical partners, think tanks and academia. It is against this background that In August 2015, Summit, among others, took a decision urging Member States to popularize the SADC Industrialization Strategy and Roadmap at national level.

1.9 Aims of the SADC Industrialisation Week

- i. to disseminate information on the Industrialization Strategy and Roadmap.*
- ii. to commemorate the Africa Industrialization Day in the region in a much more effective way.*
- iii. to intensify engagement and develop partnerships with development partners and other third parties to promote the SADC Industrialization Strategy at national and regional levels.*
- iv. to identify challenges faced by businesses in the development and strengthening of Regional Value Chains (RVCs).*
- v. to actively engage policy makers, private sector, academia, researchers and other key stakeholders in policy dialogue to enhance work on industrialization at both national and regional levels.*
- vi. to increase engagement on industrialisation strategy at national and regional levels.*
- vii. to revise progress on the implementation of previous declarations.*

History of the SADC Industrialisation Week

1.10

In its March 2016 meeting, Council, among others, directed the Secretariat to work with the Private Sector to showcase existing and potential value chains during the commemoration of the Industrialization Week in the Kingdom of Eswatini. Subsequently, the first SADC Industrialization Week was commemorated in Matsapha, in the Kingdom of Eswatini in the margins of Council on 23-26 August 2016. The 2nd, 3rd and 4th Industrialization Week events were commemorated in the Republic of South Africa, the Republic of Namibia and in the United Republic of Tanzania in August 2017, 2018 and 2019. The four culminated into the Esibayeni, Sunninghill, Windhoek and Dar es Salaam Declarations.

1.11

Essentially, the declaration calls for specific actions on how to develop infrastructure required to catalyse industrialization, and to develop corridors in addressing issues relating to trade facilitation, non-tariff barriers and movement of skills and innovation. The Declaration also identifies sector specific proposals dealing with the pharmaceutical sector, agro-processing, mineral beneficiation and development of regional value chains. It also calls for the involvement of the private sector in the development of key regional plans and policy documents, including the SADC Industrialization Action Plan.

1.12

The declaration statements are submitted first to the SADC Industrial Development Forum (IDF) for noting and presentation of key issues. From the SADC IDF level, the outcomes are submitted to the Senior Ministers and to the Council of Ministers if they have financial and policy implications and eventually to the SADC Heads of States.

1.13

It is against this background that Council in March 2017 in the Kingdom of Eswatini, directed the Secretariat in coordination with Member States to intensify engagement with the Private Sector in order to accelerate the implementation of the SADC Industrialization Strategy and Roadmap and the key elements of the Esibayeni Declaration. Council also endorsed that the SADC Industrialization Week be convened annually, alongside the SADC Ordinary Summit.

2. PURPOSE AND OBJECTIVES

2.1 The commemoration of the 2021 SADC Industrialization Week will aim at achieving the following objectives:

- i. Spreading knowledge among the SADC community at large, including Governments, private sector, academia, research institutions and think tanks, members of the public, etc. to ensure wider understanding and acceptability of the Strategy.*
- ii. Acquisition and use of knowledge and opportunities arising from implementation of the Strategy by the wider SADC community with the ultimate objective of improving one's social and economic life.*
- iii. Eliciting action from the various stakeholders, including the regional, continental and international private sector, on the implementation of the Industrialization Strategy.*
- iv. Building coalitions to enhance understanding and cooperation among stakeholders on how to implement the Industrialization Strategy including the development of regional value chains (Pharmaceuticals, Mineral beneficiation, Agro-processing)*
- v. Increasing engagement on the Industrialization Strategy at national and regional level.*
- vi. Engage private sector on preparedness and opportunities from the African Continental Free Trade Area (AfCFTA).*
- vii. Formulating practical next steps which involve kick starting private sector led working groups, projects and programmes.*
- viii. Discuss the role of the gas and energy economy in industrialising SADC: Opportunities and challenges.*

3. FRAMEWORK FOR THE SADC INDUSTRIALIZATION WEEK 2020

3.1 The 2021 Annual SADC Industrialisation Week will be commemorated in Malawi.

3.2 Theme

The theme for the 2021 Industrialization Week will be "Bolstering Productive Capacities in the face of COVID 19 Pandemic for Inclusive, Sustainable Economic and Industrial Transformation."

4. PARTICIPANTS/STAKEHOLDERS

ATTENDEES INCLUDE

- SADC Member States
- Private Sector
- Strategic and Cooperating Partners
- Donor agencies and DFIs
- Leading industry experts
- Multinational corporations
- Research institutions and academia
- Small and Medium Enterprises
- Civil Society from the SADC region

5. NATURE OF THE ACTIVITIES

Seminars,
Meetings and
Workshops



SIW hosts
SADC Gala
Dinners



SIW hosts
week-long
exhibitions



SIW facilitates
Factory site visits



6. PROPOSED TARGET SECTORS

SESSION FOCUS

 Mineral beneficiation	 Women and youth
 Gas and energy	 Regional integration
 Agro-processing	 Infrastructure (logistics)
 Pharmaceuticals	 Locomotive sector
 SMME development	 Trade and investment
 Financial services	 Non Tarrif Barriers
 Public-Private Partnerships	 Fast Moving Consumer Goods
 4IR and Digitisation	 Payment Systems
 Regional value chains	 AfCFTA: Opportunities for industrial and trading enterprises across the continent

7. DRAFT PROGRAMME OUTLINE

DAY 1

Opening session and keynote addresses
Plenary Sessions

SADC Updates on Regional Industrialisation

AfCFTA: Opportunities for industrial and trading enterprises across the continent
COCKTAIL DINNERS

DAY 3: Break-Away Sessions

Morning Seminar 1: Fast Moving Consumer Goods
Morning Seminar 2: Trade and investment
Morning Seminar 3: Women and youth
Morning Seminar 4: 4IR and Digitisation
Noon Seminar 1: Financial services
Noon Seminar 2: SMME development
Noon Seminar 3: Regional value chains
Noon Seminar 4: Light manufacturing
Noon Seminar 5: NTBs in regional trade

DAY 2: Parallel Sessions

Secondary Plenary
All-day Parallel Session 1: ENERGY (GAS)
All-day Parallel Session 2: PHARMACEUTICALS
All-day Parallel Session 3: MINING
All-day Parallel Session 4: AGRIPROCESSING
All-day Parallel Session 5: PAYMENT SYSTEMS

DAY 4: Factory Site Visits

Site Visit 1: PHARMACEUTICAL COMPANIES
Site Visit 2: TEXTILE COMPANIES
Site Visit 3: BEVERAGES COMPANIES
Site Visit 4: CEMENT PROCESSING COMPANIES
Site Visit 5: ECONOMIC PROCESSING ZONES
Site Visit 6: GAS AND ENERGY SECTOR PLANTS

DAY 5: Work Streams

Post event workshops
Facilitated business introductions

END

ANNEXURE 1. DECLARATIONS

Esibayeni Declaration (Eswatini 2016)

The Esibayeni declaration statement notes the following:

- i. *Acknowledges that; to improve trade and industrialisation, hard and soft infrastructure shortcoming must always be addressed together. Governments and private sector must complement each other on this. Government must provide an enabling environment for private sector to participate in infrastructure development and investment.*
- ii. *Policy certainty, including stability, predictability, consistency and transparency is a prerequisite to attract investment for regional industrialization regardless of sector or scale. This includes certainty and stability on the use of tariffs, fees and levies at border posts; predictable export regimes; and consistent and transparent land use rights.*
- iii. *Prioritization and sequencing are the key to successful implementation of industrial policies. Prioritization should consider geographical links, opportunities for incremental implementation to allow for short-term gains, and industry-specific requirements for value chains.*
- iv. *Enabling trade through the removal of non-tariff barriers, coordinated border management and a solid regional transit system is a prerequisite for industrialization.*

ANNEXURE 2. DECLARATIONS

Sunninghill Declaration (Johannesburg 2017)

The Sunninghill declaration statement notes the following:

- i. Acknowledge the inequalities that exist within Member States and that, only through genuine deeper regional integration, can smaller and weaker economies can overcome their limitations.*
- ii. That regional protocols, strategies and plans must be implemented at domestic level, subject to the sensitivity to the changing socio-political, economic and technological environments.*
- iii. Regional protocols, strategies, and plans must be implemented at domestic level subject to sensitivity changing socio political, economic and technological environment.*
- iv. That it is essential to develop common awareness among the public and private sectors on the main elements of 'quality of infrastructure' for SADC (and the African context), assessing the net long-term benefits and trade-offs. This include standards of efficiency, safety and resilience, environmental, social and gender inclusion.*

ANNEXURE 3. DECLARATIONS

Windhoek declaration (Namibia 2018)

The Windhoek declaration statement notes the following:

- i. *That the process of registering and marketing new medicines in the region is long (taking up to 5 years). Private sector urged Member States to shorten the lead times in the registration of pharmaceutical products (medicines and health commodities) in order to attract new investments in pharmaceuticals.*
- ii. *A call for SADC Ministers of Energy to issue a Statement of Intent on Cooperation on Development of Regional Gas.*
- iii. *Request for the establishment of a Regional Gas Committee which will include private sector, and develop a Regional Gas Master Plan.*
- iv. *An agreement by private sector to proceed with the establishment of the SADC Business Council as the overarching structure to engage with SADC public sector.*
- v. *Request for the finalisation of the SADC Regional Mining Vision to provide policy guidance in positioning the region as a global player in mining value chains.*

ANNEXURE 4. DECLARATIONS

4th SIW - United Republic of Tanzania

The Dar es Salaam declaration urged SADC Member States and private sector to act on the following:

- i. *Develop regional value chains targeting priority sectors (pharmaceuticals, mineral beneficiation, agro-processing and related capital goods and service value chains) to drive regional industrialisation and development.*
- ii. *Engage the private sector regularly in developing regional value chains (RVCs). The private sector owns the resources required to industrialise. Its involvement and buy in at policy level are crucial for effective creation and implementation of the SADC Industrialisation Policy and Strategy.*
- iii. *Harmonise medicine registration policies and make use of the ZAZIBONA medicine registration process to speed up registration and distribution of essential medicines and create a pathway for speedy registration of innovative medicines.*
- iv. *Identify barriers (technical and non-technical) to developing RVCs through SADC Secretariat mechanisms including established forums such as the SADC Industrial Development Forum meetings.*
- v. *Improve infrastructure (including energy, transport, water and ICT) as a basis for successful value chain development in the region.*
- vi. *Prioritise support for the development of a Regional Gas programme.*
- vii. *Prioritise skills development, research and development, technology and innovation, and attractive incentive regimes as way of supporting regional industrialisation.*
- viii. *Invest in adequate infrastructure project preparation and reduce risk to attract meaningful funding opportunities from DFIs and the private sector.*
- ix. *Consult the private sector in a structured manner to identify and sustainably solve NTBs that pose obstacles to industrial development.*
- x. *Align national strategies and policies with continental trade frameworks to cater for market opportunities created by the African Continent Free Trade Area.*

ANNEXURE 5. SIW 2019



Hosted on the margins of the annual SADC Heads of State and Government Summit



Former Executive Secretary of SADC, Dr Stergomena Lawrence Tax



The late President of the United Republic of Tanzania, H.E. John Joseph Pombe Magufuli



President of the Republic of Zanzibar and Pemba H.E. Ali Mohamed Shein

Officiated by Heads of State/sitting Presidents and the SADC Executive Secretary



Hosted annually by the incoming Chair of SADC each year



Largest public-private platform in the SADC region





Attended by Captains of industry and senior government officials



SIW is the largest consultative body for Industrialisation in SADC



Facilitator of multiple sector and industry site visits in each SADC country



SADC's largest business exhibition event of the year that supports SMME's and local entrepreneurs



Wide range of presentations by industry experts and mandated government officials





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