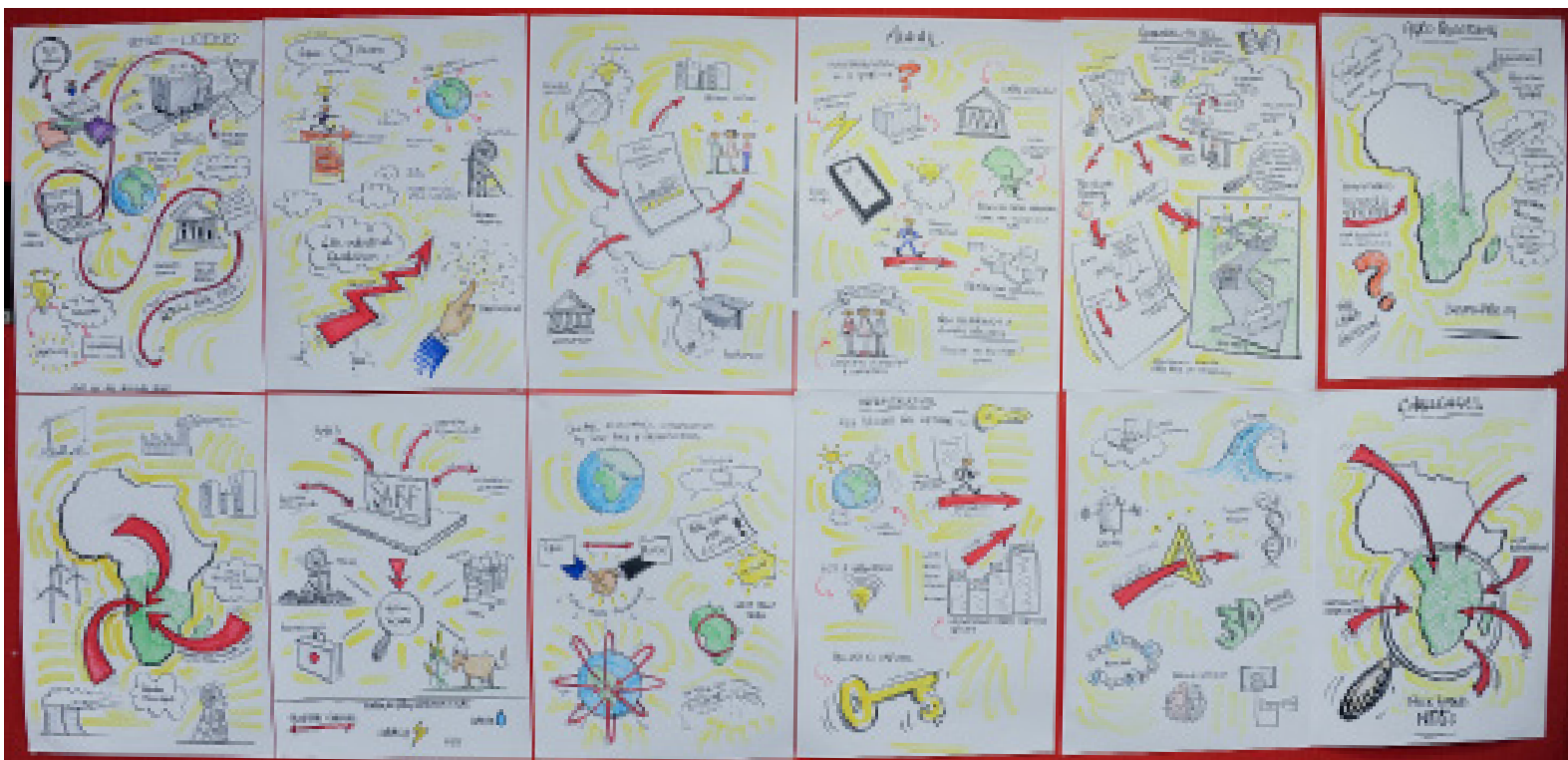


THE SADC INDUSTRIALIZATION WEEK 2017

SUNNINGHILL DECLARATION 2017

Private Sector Communiqué of the Second Annual SADC Industrialization Week



Key Points of the Sunninghill Declaration

1. Conventional policy approaches are not always appropriate for rapidly changing conditions. Responsible policy-making requires:
 - Considered research and groundwork,
 - Taking into account the evolving regional political economy.
2. There is the need to acknowledge the inequalities that exist within Member States, and particularly between Member States in the SADC region.
 - Only through genuine deeper regional integration, smaller and weaker economies can overcome their vulnerabilities and limitations by pursuing different strands of specialization along specific regional value-addition chains.
3. Regional protocols, strategies and plans must be implemented at domestic level, subject to the sensitivity to the changing socio-political, economic and technological environments.
 - Member State governments should work in collaboration with partners – *inter alia* but not limited to private sector, civil society, universities, centres of excellence, academia, think tanks, media, international cooperating partners, chambers of commerce, business associations, investment agencies, standards organisations and the SADC parliamentary forum – to ensure successful domestic implementation of the SADC regional industrialization and integration programmes in all SADC Member States.
 - Different non-state actors have numerous similar challenges, and in this vein, Annex I of this Declaration presents a Joint Position Paper of Issues Affecting Regional Business and Civil Society.
4. It is essential to develop common awareness among the public and private sectors on the main elements of 'quality infrastructure' for SADC (and the African context), assessing the net long-term benefits and trade-offs.
 - This common awareness should include standards of efficiency, safety and resilience, environmental, and social and gender inclusion. Sharing of experiences and good practices among all stakeholders for integrating these concepts throughout the project cycle is encouraged.
 - As the expectation is that transport infrastructure (rail, road and ports) will assist to drive development of businesses and processing in the region; so priority must be given to make freight and border rates globally competitive.
5. A dearth of information discourages particularly micro, small and medium enterprises (MSMEs) from participation in regional and global value chains.
 - An active exchange of information should be facilitated between governments, private sector and their intermediaries (including chambers of commerce, business associations, and investment agencies).
 - These information exchanges should include guidelines on accessing finance; cross-border payment systems; international trade and investment opportunities; and progress on trade facilitation reforms for instance, relating to government commitments to the WTO Trade Facilitation Agreement.

Sunninghill Declaration 2017: Private Sector Communiqué of the Second Annual SADC Industrialization Week

Caption: Between 30 July 2017 and 4 August 2017, delegates from the media; private sector; civil society and public sector from the Southern African Development Community (SADC) Member States met in Sunninghill, Johannesburg (South Africa) during the Second Annual SADC Industrialization Week.

Authors: Members of the Southern Africa Business Forum (SABF) – a regional public-private sector platform housed at the NEPAD Business Foundation, aimed at amplifying the voice of regional businesses in dialogue with the public sector in SADC Member States (coordinated by the SADC Secretariat).

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The SADC Region Prepares for Industrialization

During the conferences and seminars of the second SADC Industrialization Week, 31 July to 4 August 2017, the regional private sector, civil society and research community, international cooperating partners and development finance institutions gathered in Sunninghill, Johannesburg to interact with SADC Member State government representatives. The theme of SADC Industrialization Week 2017 was *Partnering with the Private Sector in Developing Industry and Regional Value Chains*.

In planning for SADC's industrialization, encapsulated in the Regional Indicative Strategic Development Plan (RISDP), the SADC Industrialization Strategy and Roadmap, and the SADC Industrialization Action Plan, the fourth Industrialization revolution (Industry 4.0) concepts will no doubt play a significant role.

Industry 4.0 refers to digital transformation, including big data, digital printing and the Internet of Things; all of which will have a profound effect on manufacturing, the future of work, skills requirements and value chains. However, the greater automation and digitization, higher technology and greater connectedness will drive new approaches and innovative business models which must focus on sustainable and efficient use of limited resources and the cost-effective production of user-driven products.

While industrialization largely focuses on manufacturing, the role of the services sector and capacities and capabilities in supporting the manufacturing process are important components of economic development. Besides the fact that services such as ICT and transportation are essential for trade, services can contribute to firms becoming more productive. For example, through the use of services (e.g., logistics, management and engineering), time, materials and resources can be more efficiently and effectively used, and coordination across the entire value chain can be improved.

There is therefore a call on governments, development finance institutions, international cooperating partners and private sector (small, medium and large companies, and financiers) to recognise the challenges and opportunities inherent in adopting Industry 4.0. In order to do so, it is necessary to identify new policy challenges and opportunities; preparing a range of 'future-proofed' policies and strategies that are more resilient in a time of rapid change and rising uncertainty.

Looking Back

The Esibayeni Declaration of 2016 emerged from Swaziland's SADC Industrialization Week as the private sector's outcomes statement from the SABF Conference. The messages from the Esibayeni Declaration can be summarised as follows:

1. **Hard and soft infrastructure shortcomings** must always be addressed together. Hard infrastructure is only as useful as the regulatory environment that surrounds it, and either permits or hampers its utilization.
2. **Policy certainty, including stability, predictability, consistency and transparency** is a prerequisite to attract investment for regional industrialization, regardless of sector or scale. Large companies and SMEs from all sectors demand policy certainty regarding the use of tariffs, fees and levies at borders; mining houses and agro-processors called for stable and predictable export regimes; and

infrastructure developers and agro-enterprises raised the need for consistent and transparent land use rights.

3. **Prioritization and sequencing** is the key to successful implementation. Prioritization should take into account geographical links, opportunities for incremental implementation to allow for short-term gains, and industry-specific requirements to support priority value chains.

4. **Enabling trade** through the removal of non-tariff barriers, coordinated border management and a solid regional transit system is a prerequisite for industrialization in all sectors.

Key Points of the Sunninghill Declaration

Reiterating the messages of the Esibayeni Declaration of 2016, the private sector through the **Sunninghill Declaration 2017** additionally makes the following assertions and recommendations:

6. Conventional policy approaches are not always appropriate for rapidly changing conditions. Responsible policy-making requires:
 - Considered research and groundwork,
 - Taking into account the evolving regional political economy.
7. There is the need to acknowledge the inequalities that exist within Member States, and particularly between Member States in the SADC region.
 - Only through genuine deeper regional integration, smaller and weaker economies can overcome their vulnerabilities and limitations by pursuing different strands of specialization along specific regional value-addition chains.
8. Regional protocols, strategies and plans must be implemented at domestic level, subject to the sensitivity to the changing socio-political, economic and technological environments.
 - Member State governments should work in collaboration with partners – *inter alia* but not limited to private sector, civil society, universities, centres of excellence, academia, think tanks, media, international cooperating partners, chambers of commerce, business associations, investment agencies, standards organisations and the SADC parliamentary forum – to ensure successful domestic implementation of the SADC regional industrialization and integration programmes in all SADC Member States.
 - Different non-state actors have numerous similar challenges, and in this vein, Annex I of this Declaration presents a Joint Position Paper of Issues Affecting Regional Business and Civil Society.
9. It is essential to develop common awareness among the public and private sectors on the main elements of 'quality infrastructure' for SADC (and the African context), assessing the net long-term benefits and trade-offs.
 - This common awareness should include standards of efficiency, safety and resilience, environmental, and social and gender inclusion. Sharing of experiences and good practices among all stakeholders for integrating these concepts throughout the project cycle is encouraged.
 - As the expectation is that transport infrastructure (rail, road and ports) will assist to drive development of businesses and processing in the region; so priority must be given to make freight and border rates globally competitive.
10. A dearth of information discourages particularly micro, small and medium enterprises (MSMEs) from participation in regional and global value chains.
 - An active exchange of information should be facilitated between governments, private sector and their intermediaries (including chambers of commerce, business associations, and investment agencies).

- These information exchanges should include guidelines on accessing finance; cross-border payment systems; international trade and investment opportunities; and progress on trade facilitation reforms for instance, relating to government commitments to the WTO Trade Facilitation Agreement.

SADC Value Chain Development

SADC has placed industrialization and value chain development at the centre of its regional integration and economic development strategies. Furthermore, SADC Member States have acknowledged the critical role that the private sector plays in industrialization and that effective partnering with private sector will achieve the realization of regional value chains. It is against this background that the theme for the 2017 Industrialization Week was 'Partnering with the Private Sector in Developing Industry and Regional Value Chains'.

Agro-processing

Automation in agro-processing sees commercial farms getting bigger (capital intensity), with the concentration effects amplified. Commercial farms increase their production and diversification is achieved downstream of the value chain (processing).

With the demand for higher skilled jobs, there are greater possibilities of skills mismatch. Increased urbanisation will also lead to greater levels of inequality.

The **changing demographics** in agriculture and agro-processing have pros and cons:

- Pros
 - New mind-sets are introducing an openness to new products (e.g. Genetically Modified Organisms (GMOs))
 - New farming techniques (urban-based)
 - Abundant labour
- Cons
 - Lack of skills / education
 - Can labour be absorbed outside of farming?
 - Aging community of farmers

There is a growing trend towards a declining interest in farming which will lead to:

- Urbanization
 - Abandoned farms (famine), which compromises food insecurity.
 - Labour shortages in agriculture
- Aging farmer profile
- Political economy issues
 - Riots / unrests / emigration of aging farmers

Potential Solutions include:

- Development and implementation of Rural Development Policies, for which incentives are an integral part and needs careful crafting.
- Training of workers / farmers to ensure that they are engaged in the production process.
- Increase motivation to farm.
- Creating farming as a profession to among others:
 - Ensure sufficient incentives to participate in agriculture.

- Overcome stigma, particularly amongst youth.
 - Address the lack of training.
- Greater industrialization of farming/ farming-related processes

The land question

- Incentives creation to support landowners in productive operation and investors to invest in agriculture in the SADC region is imperative. In that regard,
 - Education is critical
 - Greenhouses for urban agriculture; undercover farming; agro-processing as a value addition activity in urban areas and primary agriculture especially in the rural areas should be encouraged.
 - Balancing between and employing various land use strategies is critical (Landowners to consider different models, renting, shareholders, contract farming).
- Land audits on available arable land, with GPS as well as GIS mapping to see suitable farming/crops/produce for specific area needed, as there are no current SADC statistics on these variables.
 - More targeted distribution, and associated incentives, are required.
- Need to explore alternative tenure models with a view to settle for the most efficient and optimal use models.
- Beware of the implications of reform options and their impacts. As such it is important to:
 - Calibrate to promote inclusivity
 - Maximise benefits
 - Harness technology
 - Protect food security
 - Link to regional value chains
 - Benchmark regional approaches

Sustainability

- Use technology to promote ecological farming.
 - This does not only include the land, but also refers to aquaculture.
 - Close existing information gaps that negatively affect production (through education; communications, and highlighting the benefits of technology solutions)
- Harness regional markets / producers.
- Partnerships with lead firms e.g. Retailers.
- Climate change and environmental 'proofing' of production to harness and leverage technology.
- Ensuring the sustainability of livelihoods.

Synthetic Biology (the design and construction of novel artificial biological pathways, organisms or devices, or the redesign of existing natural biological systems).

Positives

- Customised products (infinite possibilities).
- Increased competition.
- Increased choice / quality / relevance to current challenges.
- Increased productivity.
- Increased environmental suitability.

- Increased attractiveness of farming for individuals, especially the youth and other disadvantaged groups.

Negatives

- Control by Intellectual Property Rights (IPRs) which results in increased concentration of small holders.
- Ecological disruption (genetics).
- Erosion of consumer trust.
- Ethical impacts.

Minimise the negatives / Enhance the positives

- Develop new skills through capacity building.
- Introduce technologies, innovations and equipment to increase production.
- Emphasise R&D
- Policy congruence - need the right mix and alignment between sectoral and national policies.
- Accentuate education and communication.

Mining

The uncertainty within the mining industry has undermined any progress experienced towards the end of the severe slump in commodities. Perceived small gains in the sector since early 2017 are under threat particularly in South Africa where policies have not sufficiently addressed the lingering uncertainties within the mining sector. The industry is far more nationally focused than regionally focused. Thus, there is a lack of clarity about the Member States that specialize in particular resources. Furthermore, this information is not easily accessible even to the miners. The economic uncertainty of the sector, and the changing policies and regulations make it hard to forecast the future of mining.

Challenges

- Current uncertainties within the sector due to policy matters;
- Some stakeholders are placed ahead of others regarding government, private sector, organised labour, and communities. The influence of various stakeholders differs from Member State to Member State;
- The price pressure on mining commodities makes the sector increasingly less competitive;
- Government regulations are a concern, especially considering the perception of the ever-changing regulatory environment;
- Consumption baskets have changed due to a change in demand for minerals on account of newer technology products and substitutes;
- Jobs are not growing in mining due to automation;
- Difficult to plan long term given the uncertainty within the sector;
- Licenses have become too costly, impact assessments include all stakeholders, including community with increasing pressure to undertake climate change assessments;
- The sector is perceived to be over-politicised and there is no real engagement with economic fundamentals and imperatives;
- Lack of big internal markets is still a concern.

Opportunities

- Technology applications (e.g. mobile apps) provide data sharing solutions;
 - Information deficiencies amongst SADC countries provide the opportunity for better collaboration;
 - Mining linkages with mining upstream and downstream value chains (e.g., finance; logistics; insurance; skills development; mechanisation) are very low. There is a need for better information and coordination, as well as a need to be current with latest developments around inputs.
 - There is an increase in the number of small efficient mines. There is a sense that the era of large-scale mining is over, however, certain commodities will never scale down.
 - Opportunity to explore support for small mining endeavours exists.
 - Community inclusivity or technology that could help contact the whole community is needed.
 - Need to think of the sector as an ecosystem of stakeholders where information, and knowledge sharing is required at every level. This will enhance the sector productivity and growth.
 - New innovations, and operational efficiencies can be shared, etc.
-
- Education - skills transfer and re-skilling are imperative in the industry;
 - How do we link the industrialisation strategy with the current available resources?
 - Opportunity to engage more strategically to build alignment between industrialization strategy and existing resources.
 - The existing regional models are failing to compete with the rest of the world, i.e. China, India.
 - There is a need to open the market through true regional integration, as opposed to the current national focus of the sector.

Pharmaceuticals

Progress

The private sector welcomed the opportunity to participate in the launch of SADC's Pharmaceutical Business Plan and committed to the stated aims of preventing and treating diseases in the region. Existing regional initiatives and efforts already underway to implement the Pharmaceuticals Business Plan have been commended by the private sector.

Two such initiatives are Zazibona and the SADC Medicines Database and Pooled Procurement Network:

- The ZAZIBONA regional initiative which focused on collaborative registration of medicines in the SADC region has increased active membership to South Africa, and non-active membership to Swaziland. ZAZIBONA has seen a reduced workload and reduced timelines to registration, along with increased trust and confidence in regulatory collaboration.
- The SADC Medicines Database and the Pooled Procurement Network are web-based information and work sharing platforms which encourage transparency in procurement among countries.

In support of the SADC Pharmaceuticals Business Plan, the SABF Pharmaceuticals Working Group has begun a gap analysis across the entire pharmaceuticals value chain including Research &

Development; Clinical Development; Medicine Registration; Manufacturing; Procurement & Supply Chain; and Export. This study is aimed at key action-oriented steps to support the development of industrialization in pharmaceuticals in the region.

The Regulatory Resources for Africa (RRFA) website is an initiative derived from regulators and practitioners involved in the regulation of medicines, who saw the need to promote best regulatory practices in Africa. Use of the resource is encouraged.

Challenges

A number of challenges to industrialization of the health and pharmaceuticals sector were identified, including:

- The lack of mobility of skills and innovation across Member States;
- Inability, or unwillingness by Member States to domesticate regional policies;
- Infrastructure deficiencies that negatively affect clinics, hospitals and production facility construction in the region;
- Declining funding commitments from traditional donors in the sector;
- Delays in new product approvals;
- Minimum order quantities as there needs to be economies of scale (exacerbated by country specific labelling requirements);
- Good Manufacturing Practice inspections of manufacturing and packaging and delays;
- Supply within SADC is affected by long lead times and the cost of holding stock;
- The region is not developing skills and knowledge in SADC quickly enough;
- Manufacturing capability in SADC is limited and underdeveloped; and
- Distribution networks in SADC are also affected by inadequate infrastructure.

Opportunities

There is need to promote trade in, improve the availability and affordability of medicines and other health commodities through the development of regionally harmonised guidelines for the pharmaceutical sector. There is also urgent need for all Member states to establish functional pharmaceutical regulatory authorities to facilitate and expedite registration of medical commodities.

As Member States increase their investment into research and development, they have to give due attention to the issue of Intellectual Property Rights, especially in the health sector as they have the potential to either enhance or undermine efforts aimed at improving the lives of citizens.

Two examples of innovation in the health care and pharmaceutical sector were considered during the Launch, one by Inicio Pharmaceuticals involving the reverse engineering process in order to produce ARVs locally. The second example, Unjani Clinics, was of local empowerment and entrepreneurship scheme for nurses to run and eventually own clinics set up by a cooperation of private sector health and logistics companies. These examples provided inspirational models for support and potential replication across the region.

Call from Private Sector

- The private sector has noted that the Ministry of Health in Member States has oversight of the business plan, and has recommended that other Ministries – notably Trade & Industry; Science & Technology; and Treasury in particular – have an important role to play in the implementation of the Pharmaceutical Business Plan.

- Member State governments should mandate all relevant non-state actors (private sector and civil society) to have a more active role in the implementation of the Pharmaceutical Business Plan.
- Governments should introduce measured incentives to encourage innovation and commercialization of novel practices, processes and products to enhance industrial development and competitiveness. This is especially important to move the region from trading in primary goods, to value-added goods from which Member States will reap higher incomes.
- A rational, coordinated regional approach to an intellectual property (IP) rights regime is called for, including progress on the completion of the Model IP Policy.

SADC's Infrastructure Sectors in Support of Value Chain Development

Africa's investments requirements are approximately US\$58 Billion per annum as compared to an actual current investment of US\$28 billion. SADC infrastructure development according to RIDMP requires more than US\$ 500 Billion. Partnerships, negotiations and stakeholder involvement in the development of regional infrastructure are essential and should be emphasised. Gas infrastructure development has to be prioritised especially in east and west coasts of Southern Africa and gas market is growing but there is a need to build gas pipelines and to establish gas utilities for distribution. Fuel cells should be promoted as alternative form of energy especially for health centres, remote schools and mining operations.

Quality infrastructure is a requirement to ensure the implementation of SADC's Industrialization Strategy and Roadmap. Quality infrastructure involves infrastructure that is:

- Cost effective;
- Reliable;
- Safe;
- Environmentally considerate;
- Sustainable (built for the long term);
- Creates local jobs and stimulates local economy; and
- Aligns with economic and social strategic plans of region/country/area.

Progress

The SADC region has shown real progress in infrastructure projects over the last few years. These include:

- **The North-South Rail corridor**
 - Provides a seamless rail logistics corridor;
 - Involves an innovative funding mechanism;
 - Collaboration between four countries and five rail operators; and
 - Rehabilitation and upgrade of existing and historically neglected infrastructure.
- **The Sasol South Africa-Mozambique Gas Pipeline**
 - A multilateral collaboration underscored by strong partnerships;
 - Co-development of a Gas Master Plan;

- Supply now in excess of 180PJ of natural gas and methane rich gas;
- Successful involvement of national governments;
- Supportive legislation and regulatory environment; and
- Balance distribution of benefits.

Challenges

- Alignment of potential projects with available funding;
- Limited examples of intra-regional collaboration and multi-lateral trade; and
- Private sector business priorities not aligned to regional goals and needs

Opportunities

- Buy in from all Member States can present a focused implementation and acceleration plan for infrastructure priorities for the SADC region;
- Collaborative efforts that build intra-regional cooperation and bring mutual benefits to Member States; and
- Expansion of the corridors model currently being implemented to cover entire region.

Call by private sector

- SADC Member States should prioritise regional focus above national sovereignty;
- Improved collaboration amongst Member States, as well as between private sectors and governments is required;
- The establishment of an inter-departmental task team with regional business and civil society to develop a clear roadmap for regional gas infrastructure should be placed high on the agenda;
- Funding intermediaries should make information on funding for *bankable projects* readily available; and
- Member States should develop an enabling and supportive regulatory and fiscal environment that is regionally focused and policies that are aligned, contextualised, clear, coherent and supportive of real investment opportunities.

Supporting intra-regional and intra-African trade

SADC's Integrated Regional Settlement System (SIRESS) is an inter-bank electronic central settlement system developed to settle cross-border payments among SADC member states in real time and in large volumes. SIRESS replaced paper based transactions such as cheques and bank drafts that were unpopular because of high inefficiencies and costs.

The development of SIRESS is in-line with the Southern African Development Community (SADC)'s Finance and Investment Protocol (FIP) whose objective is to create a regional integrated payment system that facilitates payment of cross-border transactions between SADC member states. SIRESS's development supports SADC's aim: "facilitation of trade, smoother and efficient execution of cross-border transactions, and integration in information and communications technologies". Its establishment is in line with the political and economic SADC's objectives of integrating the regional economies in a way that will improve intra-regional trade.

SABF and the SADC Industrialization Week delegates from the private sector have undertaken to support the use of SIRESS, the communication of its benefits to traders across the SADC region, and the reduction of transaction costs for cross-border trade.

Support for Micro, Small and Medium Enterprises (MSMEs)

In order to support (MSMEs) participation in regional and global value chains, regional businesses have called for **regulatory harmonisation and alignment of trade policies** amongst Member States. In addition, the domestication and enforcement of regional policies are of equal importance.

MSMEs often lack the understanding of what benefits participation in regional and global value chains (R/GVCs) can bring them. Despite realising that value chains can contribute to increased value-addition, there is **a deficiency of information** about the R/GVCs in which they are considering participation. Thus, they are unaware of which value chains they are able to take advantage and how they would benefit.

Since the lack of information discourages MSMEs from considering participation in GVCs, an **active exchange of information should be facilitated between governments, private sector** and their intermediaries (including chambers of commerce, business associations, and investment agencies).

When considering integration into multinational corporations' (MNCs) value chains, apart from sanitary and phyto-sanitary standards, there are also **private, or voluntary, sustainability standards (VSS)** that must be complied with in order to participate in these GVCs. Compliance is expensive and financing options to support MSMEs in the uptake of the VSS in order to improve their potential to participate.

MSMEs need capacity development in order to take advantage of opportunities arising from deeper regional integration and greater access to the global trading system.

Cost of High-Tech Skills Transfer: The ICT sector emphasizes the importance of technologies and available skilled workforce more than other sectors. It is typically unaffordable for MSMEs to develop their own technologies through R&D activities or to hire skilled workers because of financial constraints. MSMEs are thus unable to participate in GVCs as the lack of technological capability crowds them out.

Intellectual property claims by MNCs are also a big obstacle for MSMEs to acquire technologies and skills. SMEs cannot easily access the technologies needed to participate in MNC value chains. Consideration must be given to policy interventions to transfer and share technologies with MSMEs. In addition, standards and professional qualifications (including investment laws and taxation procedures) should be harmonised, and MSMEs should better understand intellectual property rights to support their greater innovation.

Greater emphasis must be placed by governments **on addressing non-tariff barriers (NTBs) and improving trade facilitation measures** (including customs procedures, mobility of business people, standards of labelling requirements, access to finance, recognition of professional qualifications, and consumer protection) if MSMEs are to benefit from trade expansion and to enhance their exporting capacity.

Access to finance: A comprehensive package of financing across the life-cycle of the MSME to the next stage of development should be clearly designed and sources of financing sought for each stage.

Market connectivity can be improved through better transport infrastructure, including road, rail, and port. Without such improved facilities, SMEs are unlikely to remain competitive in international markets and as suppliers to MNCs. The need to identify appropriate partners for joint ventures and strategic alliances is vitally important.

It is important to address the **information asymmetries concerning trade and investment** agreements and how the private sector, in particular MSMEs, are able to benefit from these. In addition, greater transparency from Member State governments is necessary, especially regarding commitments to the WTO Trade Facilitation Agreement.

During SADC Industrialization Week 2017, the SABF collaborated with the European Union (EU); the US Embassy in South Africa and the USAID Trade and Investment Hub; as well as the South African Department of Trade and Industry (the dti) to run a series of information seminars on the EU economic partnership agreement (EPAs); the US American Growth and Opportunities Act (AGOA) and the Tripartite Free Trade Area (TFTA) and the Continental Free Trade Area (CFTA).

ANNEX I

JOINT POSITION PAPER: PRIVATE SECTOR AND CIVIL SOCIETY ORGANISATIONS

BACKGROUND AND CONTEXT

The African continent is growing. It is estimated that the continent's population will double in the next 50 years. This population boom will see an increase in the working age population. This increase creates a window of opportunity with the possibility of higher growth arising from the "demographic dividend". However, an increase in the working age population, with scarce employment opportunities, can also result in social unrest and tensions. This means that, without any major structural overhaul of the African economies, the current social and development challenges being faced by African countries, could significantly worsen. This has led to the renewed calls across the continent for Africa's industrialization as well as the push for the structural transformation of the continent's economies. Such structural transformation entails moving from commodity export dependent economies towards industrialized and diversified economies.

April 2015 saw the SADC Heads of State and Government approve the SADC Industrialization Strategy and Roadmap 2015-2063. The Strategy aims at economic and technological transformation at both the national and regional levels within the context of deeper regional integration. It also seeks to accelerate the growth momentum within SADC community whilst enhancing comparative and competitive advantage of the economies. Summit also directed the Secretariat to develop a Costed Plan of Action to accelerate the implementation of the Strategy. The Action Plan was approved in March 2017 and its implementation has started.

Competitiveness of businesses shall include enhanced technological setups and readiness, changes in way of doing business as well as scaling-up productive capacity and increased enhanced economic inter-linkages to unlock the regional potential. In this context, the focus of the SADC Industrialisation Strategy and Roadmap 2015-2063 is underpinned on (further) value chain development in specific industry sectors with the inclusion of micro, small and medium enterprises. Currently, there is a variety of obstacles that prevent the implementation of these strategic objectives, among them the limited free movement of people, goods and services, stagnation in job creation and SMME development, and the lack of (intra-SADC) markets and the demand of products produced in the region. There is a need for both, private sector and civil society to discuss on business for people transformation, with a specific focus on value chains and jobs to close the inequality gap in a region with high levels of unemployment within the region.

Non-state actors were convened in the framework of the Second SADC Industrialisation Week in Sunninghill, Johannesburg on the 3rd August 2017 under the theme "Non-State Actors – Civil Society and Business Interaction on Key Regional Integration Challenge". Private sector and civil society often face similar challenges regarding trade facilitation, infrastructure, and access to information and markets within the SADC region. This Position Paper is a result of the session.

KEY ISSUES

This Position Paper addresses key issues and obstacles that affect both the private sector and civil society which are often similar. As an example, both civil society and business often face similar challenges regarding trade facilitation, infrastructure and value chains development, like:

- The lack of intra-trade, while both companies and cross-border traders often are hindered by customs processes and infrastructure challenges.
- The lack of harmonisation of key legal frameworks including qualifications within the SADC borders.
- The need to involve small scale enterprises and smallholders in value chain development, while there are challenges to produce effectively and efficiently with regards to regulations and infrastructure.
- The lack of financing and investment, which causes problems for both groups.
- The slow and inadequate implementation of regional protocols and policies.
- Insufficient job creation, the regulatory environment and the campaign to close the inequality gap through jobs.

KEY PRIORITIES

Effective communication on The SADC Industrialisation Strategy and Roadmap 2015-2063

In order to obtain a broader awareness of and motivation of key stakeholders in the region, the SADC Secretariat is requested to strengthen their communication capabilities to reach and ensure the inclusion of citizens and non-state actors in all SADC Member States. Members of both sectors should be included at both regional and national level.

Required is an efficient, effective and constant collaboration between the SADC Secretariat, SADC Member States and Non-State Actors. Reference is made to the SADC Treaty and the vision of SADC to pool resources to achieve collective self-reliance to improve the living standards of the people of the region.

The Non-State Actors identified a lack of access to information and encourage the SADC Secretariat to design and distribute communication kits that can be presented and distributed at non-state actors' engagements.

As communication is crucial to the realisation of the strategy, the SADC Secretariat is requested to establish its own media platforms (social media, radio, television) to cascade information to SADC Member States and its citizens. It is critical that SADC Member States engage their Parliaments and citizens, including civil society, on the SADC Industrialisation Strategy and Roadmap 2015-2063as well as on the Action Plan thereof.

Realigning SADC and its Non-State Actors to jointly implement industrialisation

To implement the SADC Industrialisation Strategy and Roadmap 2015-2063, the SADC region needs to join the forces from all sectors, public, private and civil society. Together the stakeholders have the capacity to make industrialisation successful despite the challenge to overcome. The stakeholders need to exchange on and clarify their roles and responsibilities.

The SADC Secretariat is requested to support the creation of an institutionalised and structured Non-State Actor Forum that will enable the stakeholders to be in constant exchange with the SADC structures at regional and national level. The formalised Forum shall provide input and joint positions regarding the implementation of industrialisation and ensure a broader collaboration with key stakeholders, underpinned by an enhanced results-monitoring framework in conjunction with SABF and Southern Africa Trust. The Non-State Actor Forum will also provide

input at both regional and national level, for example in collaboration with the SADC National Committees. Emphasis is placed on the importance that the policies underpinning the industrialisation of the SADC region shall include pro-poor policies and their implementation.

Preparing the SADC region for industrialisation

The realisation of the SADC Industrialisation Strategy requires a fundamental review of the legal framework and standard of qualifications to enable harmonisation across the region. The region needs to ensure an enabling environment to realise the industrialisation and to enable the SADC Member States to work in unison.

In collaboration with Non-State Actors, the SADC Secretariat shall identify and provide an overview of the skills required for industrialisation. This will also inform the SADC Member States, which capabilities shall be developed. A fundamental review of the structure and staffing needs of SADC Secretariat should be undertaken to ensure alignment with agreed priority areas within the industrialisation strategy

In addition, all SADC Member States shall conduct a skills audit of their country in line with the SADC Industrialisation Strategy. Non-State Actors shall assist with the capacity building of skills, in particular with regards to scholarships and training of citizens.

A concerted effort shall be undertaken in order to include micro-traders and ensure their needs are aligned with the agreed priorities of the SADC Industrialisation Strategy. Government officials, who are part of the SADC processes shall play an important role to act as door-openers and facilitators for civil society.

Financing the SADC Industrialisation Strategy and Action Plan with full ownership of the SADC Member States

It is imperative that all SADC Member States incentivise Non-State Actors to train citizens in line with the skills required towards the realisation of the SADC Industrialisation Strategy and Action Plan for industrialisation. A budget needs to be set aside in order to fund the participation of Non-State Actors in SADC deliberations. In addition, it is important to lobby for increased localised investment.

Practically contributing to the realisation of the SADC Industrialisation Strategy

The NEPAD Business Foundation committed to setting up an online platform for Non-State Actors to start engaging in a pilot for a region-wide online platform. The NEPAD Business Foundation and Southern African Trust will be the conveners of the process to form a formal and structured Non-State Actor Forum. Whilst, the SADC Secretariat and Government Officials shall play a critical role, in coordinating with the SADC Member States to create and continue regional and national formations for Public Private Dialogues on matters of industrialisation.

JOINT ACTION PLANS OF THE NON-STATE ACTORS – CIVIL SOCIETY AND BUSINESS INTERACTION
The following factors were identified as components of a high-level key action plans with timelines to realise the SADC Industrialisation Strategy and Roadmap:

Access to market information

- The SADC Secretariat shall establish their own, effective media platforms by 2018.
- The SADC Secretariat shall design and distribute communication kits at Non-State Actors Forum meetings and other engagements. The communication kits shall be translated into local language by 2018.
- The SADC shall convene a Business and Civil Society industrialisation meeting during the annual SADC Industrialisation week.

Lobbying

- The SADC Secretariat, jointly with the SADC Member States and in collaboration with the Southern Africa Trust shall create Non-State Actor Forum, by 2017, which will provide input into SADC/National committees.
- The SADC Secretariat through the Non-State Actor Forum, shall distribute the industrialisation strategy to all Non-State Actors and initiate the formation of both regional and national Non-State Actors industrialisation group by 2018.
- The SADC Secretariat through the Non-State Actor Forum shall develop a work plan on the Non-State Actors national and regional engagements by 2018.
- The SADC Secretariat shall foster the development and implementation of a Simplify Trade Regime in SADC by 2018, also considering approaches implemented by COMESA.

Skills

- Each SADC Member State shall conduct a skills audit by 2020 in line with the skills identified by the SADC Secretariat. The Non-State Actors shall help to define and develop the skills required.

The NEPAD Business Foundation shall assist with facilitation and use of a pilot online platform for the participants at the session to start engaging.

CONCLUSION

It is quite imminent and evident that the SADC region is on the acceptable pathway towards the realisation of an industrialised region however, its efficiency in accommodating all relevant stakeholders is what will make the process worthwhile, smoother and results oriented. Infrastructure, capacity building, funding, inclusion of micro traders in the SADC industrialisation strategy and the lack of effective communications platforms remain the Non-State Actors concern. The SADC Secretariat's communication strategy shall become more effective and efficient so the SADC Member States and their citizens can access relevant and vital information in the realisation of industrialisation.

On his foreword for the SADC industrialisation strategy and Roadmap 2015-2063, President Robert Mugabe said that, "Since one of the major challenges that have retarded implementation of existing programmes on industrialisation is inadequate funding, it is important for SADC region to consider innovative ways of financing industrialisation". This need was affirmed by the two sectors represented in the present Position Paper and thus the need for funding and partnerships remains key to the realisation of the strategy.

One of the African Agenda 2063's aspirations ensure that development is people-driven and reliant on the potential of all African people, especially its women and youth. In line with the Agenda 2063, all these outcomes are underpinned by Pan-Africanism, gender and youth inclusion.

