

Information Note



7th SADC Multi-stakeholder Water Dialogue

Watering development in SADC:

The central role of water in driving industrialisation

29-30 September 2015, Windhoek, Namibia

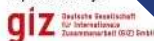
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BACKGROUND AND CONTEXT

The SADC Multi-stakeholder Water Dialogue is a biennial activity which provides a platform for regional stakeholders to discuss and share experiences on different aspects of Integrated Water Resources Management (IWRM). Its focus is to reach out to other sectors that influence or are influenced by water in their dealings especially in the development agenda where water is an engine or catalyst for development. It is in that light the Water Dialogues are held under the overall theme of **Watering Development in SADC** and highlight how IWRM approaches can address key aspects of socio-economic development and poverty reduction in Southern Africa.

Through the subsidiarity principle of SADC, Global Water Partnership Southern Africa was mandated to facilitate this process on behalf SADC Secretariat's Water Division since 2007. Initially, the Water Dialogue was funded through Danida support which later on, was open to all cooperating partners in the water sector through the framework of the Water Strategy Reference Group (WSRG).

Over the past eight years, the following Dialogues have been held:

- 1st Dialogue (2007) was held in Maputo, Mozambique - **Watering Development in SADC: Beyond IWRM Concepts and the Converted.**
- 2nd Dialogue (2008) was held in Maseru, Lesotho under the theme **Watering Development in SADC: Rising above the Climate Change Threat – Towards Security.**
- 3rd Dialogue (2009) Dialogue was held in Johannesburg, South Africa and focused on groundwater. Its theme was **Watering Development in SADC: Surfacing of the Hidden Resource – Groundwater.**
- 4th Dialogue (2010) was held in Maun, Botswana

under the theme **Watering Development in SADC: Toward Climate Resilience through Benefitsharing.**

- 5th Dialogue (2011) was held in Ezulwini, Swaziland **Watering development in SADC: Financing Water for Climate Resilience to Ensure Regional Security.**
- 6th Dialogue (2013) was held in Lusaka, Zambia **Watering development in SADC: Exploring the water, energy and food nexus for regional development.**

Under the theme **“Watering Development in SADC: The central role of water in driving industrialization”** this year's Multi – stakeholder Water Dialogue will focus on unpacking the role that water will play in driving industrialisation in the region. At the SADC Summit held in 2014 in Victoria Falls, the regional leaders highlighted the need to focus on industrialisation and this led to the development of the Regional Industrialisation Roadmap and Strategy. The Strategy and Roadmap were launched in Harare in May 2015. Industrialisation will contribute to the development of the region; however, economic growth due to industrialisation means an increase in the demand of water resources. This will mean the region needs to plan and ensure water doesn't become a constraint, both in quality and quantity, in order to achieve the aspirations set out in the Strategy and Roadmap. Industrialisation coupled with innovation will contribute immensely to water demand management endeavours to avail more water for other uses. Issues of water quality cannot be overemphasised. The 2015 Dialogue will also serve as a platform to validate the Regional Strategic Action Plan IV which details the 5 year programme for the water sector (2016 – 2020) and supports the implementation of the RISDP and the Industrialisation Roadmap and Strategy.

THE 2015

DIALOGUE

The African continent possesses 12 percent of the world's oil reserves, 40 percent of its gold and between 80 percent and 90 percent of its chromium and platinum, according to a 2013 report from the UN Conference on Trade and Development (UNCTAD). It is also home to 60 percent of the world's underutilized arable land and has vast timber resources. Yet together, African countries account for just 1 percent of global manufacturing, according to the report. This dismal state of affairs creates a cycle of perpetual dependency, leaving African countries reliant on the export of raw products and exposed to exogenous shocks, such as falling European demand. Without strong industries in Africa to add value to raw materials, foreign buyers can dictate and manipulate the prices of these materials to the great disadvantage of Africa's economies and people.

It is against this background that the SADC Heads of States during the 2014 Summit in Victoria Falls called for the region to drive industrialisation as a way of promoting the socio-economic development of the region. A Roadmap and Strategy for Industrialisation has since been developed and launched in June 2015 in order to drive the following:

i. A major socio-economic transformation at the national and regional levels.

- ii. Acceleration of the growth momentum and enhancing the comparative and competitive advantage of the economies of the region.
- iii. Diversification and broadening the industrial base and interdependencies.

The Regional Indicative Strategic Development Plan (RISDP) 2016 – 2020 which has also been revised and approved by the Heads of State noted industrialisation as one of the key regional development goals. The water sector in the region will implement the revised RISDP through the 4th phase of the SADC Regional Water Programme – commonly known as the Regional Strategic Action Plan IV (RSAP IV). The RSAP IV is being developed after a rigorous consultation process whereby three day workshops were held in all 15 SADC Member States soliciting input to the RSAP IV (2016-2020) and the Dialogue will be used to validate its contents. In a nutshell, the RSAP IV aims to unlock the potential *for water to play its role as a catalyst of socio-economic development and contribute to the SADC Goals of Regional Integration, Peace and Security, Industrialisation and Poverty Reduction with the ultimate aim of its eradication.*

Industrialisation is the transition of an economy from



primarily agrarian to one based mainly on manufacturing and industry. It is generally thought to be a sign of a growing economy, and is associated with income growth, urbanization, and improvements in health, improved lifespan, and standard of living for the populace done in a sustainable manner.

Historically, cities in the developed world were created around water endowed areas whilst in Africa they developed around mining areas. This conundrum has posed a serious challenge to African cities to cope with the ever increasing demand for water for various uses in urban centres. Water has in various instances been a constraint to industrialisation which normally takes place in urban environments. For, example, the Gauteng Province in South Africa which is the hub for industrial development in the region suffers from water scarcity hence the need for cooperation with the Kingdom of Lesotho for the intra-basin water transfer.

Successful industrialisation can only be achieved within the SADC region through economic diversification. The sustained economic development will be based on factory production, division of labour, concentration of industries and population in certain geographical areas, and urbanisation. Sectors such as mining, manufacturing, research and technology will also grow significantly; and in all this - water will play an integral role. Industrialisation will lead to a demand of services and goods in terms of

water supply, sanitation, food and energy. This will increase the demand on water resources which are already under pressure and threatened by climate change.

Most African countries are now looking to take advantage of the richness of their natural resources and break away from import/export culture. SADC is immensely rich and simply needs to turn its current situation into a competitive advantage through value-addition and beneficiation. However, with development follows urbanisation and demographic peaks, which have a strong impact on water resources. It was expected that by 2050, 70 percent of the world's population would live in towns and cities, almost doubling the current urban population. It has been reported that the combined population of SADC is about 280 million, which constitutes almost a quarter of the entire continent's population.

Successful industrialisation will be achieved not just by doing things *better* – though that is a key factor – but also by doing *different* things, implying industrialisation is achieved through diversification and sustainability. An increase in the demographic situation would mean extreme stress and pressure on the conventional water management system's design – industrialisation brings more complex issues around supply assurance. Therefore, management of the resources should be



targeted in order to ensure that water quality and quantity is managed in the best possible way. New solutions and new ideas are needed that increase the efficiency of water systems.

Water is intricate to industrialisation and should be managed and developed to ensure availability and access. Integrated Water Resources Management aims to ensure social equity, environmental sustainability and economic efficiency in all spheres of the societies. Optimising the outcomes of these three pillars is required to provide reliable services and support growth. The 7th water dialogue is to come up with strategies on how to ensure that water resources management contribute in an efficient and sustainable way to the development and the industrialisation of the SADC region. This calls for sectors to work together following the Nexus Approach.

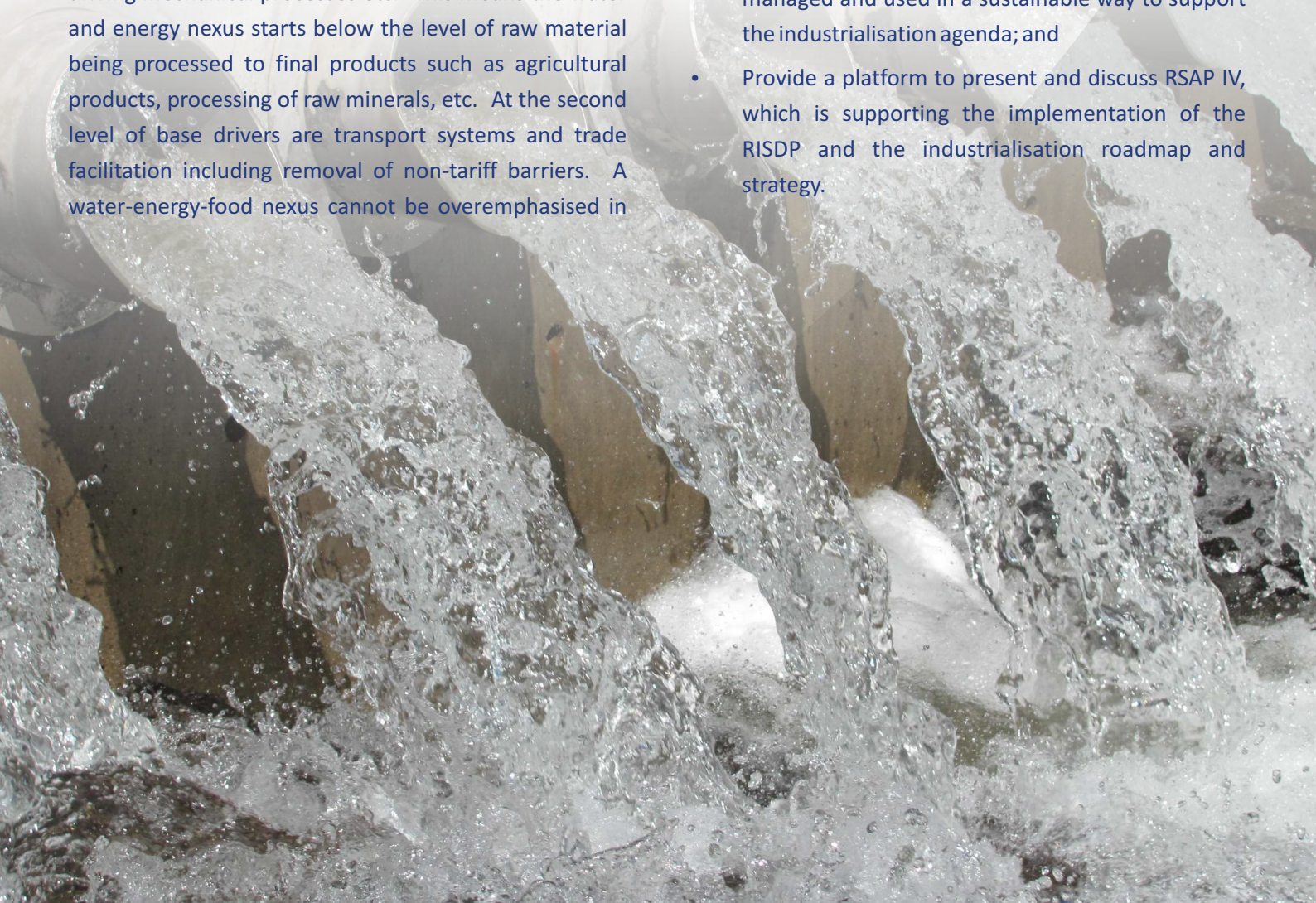
It is arguably true that the base drivers for industrialisation are Water and Energy. This means water is essential for cleaning, cooling and pressuring (as steam) whilst Energy assists in the pumping, heating boilers, driving mechanical processes etc. This means the water and energy nexus starts below the level of raw material being processed to final products such as agricultural products, processing of raw minerals, etc. At the second level of base drivers are transport systems and trade facilitation including removal of non-tariff barriers. A water-energy-food nexus cannot be overemphasised in

the industrialisation agenda due to the inherent value chain as raw input is transformed into various products.

There is a need to develop frameworks to explain and understand approaches that recognise the relationships among different water users from the diverse sectors. In order to effectively rise to the challenge of playing a meaningful role in the industrialisation of the region, the water sector will have to identify key entry points in this whole drive and ensure implementation of the identified interventions. There is also need to learn from other countries on how they have successfully managed to industrialise and reap the associated benefits.

The main objectives of the dialogue are therefore to:

- Understand industrial development trends and the interaction with water resources management;
- Understand how nexus approaches can lead to sustainable industrialisation;
- Strategise and propose a clear way forward to ensure water resources in the region are developed, managed and used in a sustainable way to support the industrialisation agenda; and
- Provide a platform to present and discuss RSAP IV, which is supporting the implementation of the RISDP and the industrialisation roadmap and strategy.



Outcomes of the dialogue

Participants of the dialogue should be able to breakdown the concept of industrialisation and understand its direct applicability and impacts on water resources primarily and other sectors intertwined with the water sector.

The following are the expected outcomes from the dialogue:

- Clear understanding of the role of water in driving industrialisation in the region.
- Gaps and areas to build on with regards to sustainable water resources management identified to drive industrialisation.



Who can attend?

Understanding the needs of key drivers of industrial development and how these interact with water.

The Dialogue is cross sectoral in nature bearing in mind that water is everyone's business. It will bring together the resource keepers / managers, and sectors driving industrial development in the region.

Overview of the 2015 Multi-stakeholder Water Dialogue

This is the 7th time of convening the Multi-stakeholder Dialogue and this year the focus of the meeting will directly focus on a high-level regional political priority aimed at driving the regional agenda. An inter-ministry dialogue will be the central driver for the meeting and will be led by ministries of industry and water engaging other sectors that drive industrial development (like mining and agriculture) and those whose water use and demand will be impacted by growth - like local government.

Role of water in driving industrialisation

Session 1 - unpacking the role of water

Inter-ministerial dialogue

Session 2 - Senior government officials and experts from water and sectors driving industrial development

Ensuring water enables industrial development

Session 3 - Defining clear way forward for the implementation of the RSAP IV and other programmes to ensure Water doesn't become a constraint to industrialisation



