

# COMMUNITY SECRETARIAT SECRETARIAT

**SOUTHERN AFRICAN DEVELOPMENT**

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**Outcome Statement**

**SADC Day Business Forum on Industrialization and Infrastructure**

**Brussels, Belgium**

**23 September, 2015**

The SADC Committee of Ambassadors in Brussels in collaboration with the SADC Secretariat organised the SADC Day Business Forum focusing on investment in the areas of industrialization and infrastructure development on 23 September, 2015 at the Birmingham Place in Brussels, Belgium.

The Forum was a major step towards showcasing the SADC industrialization Strategy and Roadmap approved by Summit in April, 2015, in Harare, Zimbabwe and priority infrastructure investment projects as elaborated by the SADC Regional Infrastructure Development Master Plan (RIDMP), as adopted by SADC Heads of State and Government at their 32nd SADC Ordinary Summit held in August 2012 in Maputo, Mozambique.

The Forum was attended by major EU and Belgian business community and other International Cooperating Partners, potential investors, and Business Organizations.

The Opening ceremony was addressed by H.E. Ms Ana Nemba Uaniene, Ambassador of the Republic of Mozambique, Ambassador Koen Vervaeke, Director of Southern Africa, Eastern Africa and Indian Ocean and the Horn of Africa and Senior Coordinator for the Great Lakes Region in the European External Action Service (EEAS) of the European Union Commission; Mr Wiwanou Gnassounou, Assistant Secretary General (Sustainable Economic Development and Trade) at the ACP Secretariat in Brussels. All the partners hailed the SADC Industrialisation Strategy and Road Map and pledged to support the roll out process going forward. Dr Stergomena Lawrence Tax, SADC Executive Secretary delivered her key-note address, and underscored the importance of industrialization in SADC, observing that enabling infrastructure was also key in catalyzing the industrialization programme. She implored the various partners to partner with SADC to enable the region to realize its dream on industrialization and infrastructure development.

The Forum was structured into two sessions namely: the Industrialization Session and the Infrastructure Investment Session. The infrastructure investment session focused on the areas of Energy, Transport, Water and ICT development.

The Forum noted that the SADC Regional Infrastructure Development Master Plan is a 15-year blueprint that will guide implementation of cross-border infrastructure projects in the six priority sectors – Energy, Transport, ICT, Meteorology, Water and Tourism between 2013 and 2027. It further noted that the Master Plan is being implemented over three five-year intervals, with the first interval covering the periods from 2012 to 2017 and initial investment target of around US$64 billion. The second and third intervals will cover the periods from 2017-2022 and 2022-2027 respectively with a total proposed investment of between US$428 billion and $US558 billion. The seminar further noted the priority accorded to industrialization in SADC and the need to invest in this area so as to promote production and accord all SADC Member States an opportunity to trade in manufactured goods.

SADC Secretariat elaborated the key tenets and roadmap for the SADC Industrialization Strategy and Road Map, including its linkages with the Revised SADC Regional Indicative Strategic Development Plan (2016-2020) AND THE FRICAN Union Agenda 2063. The Forum noted that SADC industrialization would mainly be premised on agriculture, natural resources as well as domestic, regional and global value chain development. It further noted that for industrialization to succeed in SADC, the three binding constraints of infrastructure, skills and finance needed to be addressed, and that this called for stronger collaborative efforts and effective partnership between Governments, the private sector and development partners in particular.

The Belgian and EU investors and financiers noted the various projects that SADC was promoting in the areas of industrialization as well as Infrastructure in the sectors of power generation, power transmission and interconnectors; water infrastructure development relating to water supply and hydro-generation, as well transport projects identified in the 16 SADC corridors.

The European Investment Bank presented the projects and areas in which they are already working with SADC Member States, and expressed their desire to focus on a number of areas going into the future, among them, financing solutions for power including green energy development; corridor transport infrastructure development including airports infrastructure; investment in mining operations, industrialization including industrial parks and EPZs, value chains; social infrastructure (medical, education and agriculture) as well as import and export facilitation; Studies, research based on robust institutional structures between the two parties. SADC encouraged and invited Belgian and EU financiers and investors to consider investment in these projects.

**Key Observations**

The Forum made the following key observations which have a direct impact on investment:

1. The challenges faced by the Region’s infrastructure (energy, transport and water) which include insufficient energy supply to serve increased production and increase access, high priced, unpredictable transport and logistics services especially for landlocked states and unacceptable number of citizens without access to safe drinking water, sanitation and irrigation systems for agriculture presents immense opportunities for investment;
2. In general, the Region has created a conducive environment for investment by among other things, establishment of regulatory frameworks, advocating for cost reflective tariffs; putting in place regulatory framework to promote the rule of law, good governance, peace and security to protect foreign investment;
3. The region has embraced greater private sector participation in the implementation of infrastructure projects due to the magnitude of the financial requirements through Public Private Partnerships (PPPs), as well as the need to bring private sector acumen into infrastructure investment and operations; and
4. that Partnership between the SADC Region and Belgian/EU business community is key for the expeditious implementation of the identified projects and that these projects would effectively be implemented if such investors accessed projects that have been developed to bankability, based on which SADC committed itself to accelerating project preparation as a matter of priority.

**Other Responses**

The European Investment Bank re-affirmed its commitment to supporting project preparation in SADC as well as provide funding through the blending mechanism as a strategy to unlock potential for investment in the region. The United Nations Industrial Development Organisation (UNIDO, pledged to work with SADC to support its industrialization programme, and noted that while the African Union had adopted the Accelerated Industrialization Decade for Africa (AIDA), SADC was a leading REC in terms of putting in place strategies for industrialization. The European Union Commission noted that as part of the support under EDF 11, it seeks to support SADC in its industrialization and infrastructure development related programmes. A representative of the Development Bank of Southern Africa (DBSA) highlighted the need for support with project preparation and investment in both infrastructure development and the industrialisation development programme to SADC.

**Way Forward**

The Forum was closed by the Botswana Ambassador to Belgium and the EU, Ambassador Samuel O. Outlule, who is also the Chairperson of the SADC Ambassadors accredited to Belgium and the EU. He expressed SADC’s gratitude for the support that was pledged by partners and the participation and support of the various cooperating partners, investors and financiers.

The Executive Secretary of SADC, Dr Stergomena Lawrence Tax, presented the Way Forward during the Closing Session of the Forum as follows:

On the basis of the engagement between the parties in Brussels, the way forward is proposed as follows:

(i) A list of SADC infrastructure development projects targeted for investment as well as the industrialization investment needs shall be circulated to create awareness within the Belgian/European Business Community.

(ii) A follow-up mechanism consisting of representatives from the SADC Group of Ambassadors, SADC Secretariat, SADC Member States and the Belgian/European business community should be instituted.

(iii) The mechanism should be incorporated into the structures and/or the annual planning cycle of the SADC Secretariat and the SADC Committee of Ambassadors in Brussels.

(iv) SADC shall utilize the SADC Project Preparation and Development Facility (PPDF) and other facilities to further prepare projects that need more work to reach bankability to promote early investment in such priority projects through cooperation with Belgian and European investors.

(v) The outcomes of this forum be elavated for further high level engagements at the forthcoming SADC – EU Ministerial Dialogue to be held in October, 2015.

The Seminar opened a window of opportunities for both the SADC region and the Belgian/European business community, and that as part of the follow-up mechanism, consultations between the two counterparts continue on a sustainable basis to ensure fast tracking of SADC priority regional industrialization and infrastructure development projects and other related programmes of cooperation.

***Released by the SADC Committee of Ambassadors Accredited to Brussels***

***23 September, 2015.***