

ANTANANARIVO DECLARATION
8TH ANNUAL SADC INDUSTRIALIZATION WEEK &
EXHIBITION JULY 28 – AUGUST 01, 2025
AT THE NOVOTEL CONVENTION & SPA CENTRE,
ANTANANARIVO, MADAGASCAR

1 Preamble

The 8th edition of the SADC Industrialization and Exhibition Week was held from July 28 to August 2, 2024 at the Novotel Convention & Spa Centre in Antananarivo, Madagascar. The event was officially inaugurated by **His Excellency Andry Rajoelina, President of the Republic of Madagascar**, recalling the priority given to industrial development and underlining the host country's commitment to regional industrial progress.

Jointly organized by the Government of Madagascar, the SADC Secretariat and the SADC Business Council, the Forum was held under the theme " **Advancing Industrialization, Agricultural Transformation and Energy Transition for a Resilient SADC** ". The week-long event featured a series of policy dialogues and technical sessions focused on unlocking the region's potential and accelerating integration through sustainable industrialization pathways.

The region's just energy transition, with a focus on renewable energy adoption, deeper regional integration and technological innovation, was at the heart of the discussions. The catalytic role of tourism in promoting industrialization was highlighted, while climate-smart investments and enhanced trade integration in Southern Africa's agri-food systems featured prominently. Other sessions explored mobilizing finance for agro-industrial development, promoting the circular economy, and building resilience in regional value chains through innovation and sustainability.

The Forum also highlighted key enablers of inclusive development, including empowering women and youth in agriculture, developing industrial skills aligned with the implementation of the AfCFTA, and strengthening quality regional infrastructure to improve industrial competitiveness. Agricultural transformation strategies were discussed, alongside a session on inclusive industrialization, which highlighted the central role of small-scale manufacturing in building resilient and diversified regional economies.

One of the highlights of the event was the deciphering of the theme by a high-level panel composed of 5 Ministers of the Government of Madagascar which highlighted the interdependence of the sectors and the firm desire of Madagascar to strengthen the presence of its products and services of excellence such as vanilla, cocoa, cloves, pharmaceuticals in Africa.

The **Madagascar Investment Forum**, organized by the **National Investment Promotion Agency (EDB Madagascar)**, showcased key investment opportunities in strategic sectors of the Malagasy economy and fostered dialogue between public and private sector stakeholders.

In parallel, the **SADC-India Business Dialogue**, led by the **Federation of Chambers of Commerce and Industry of Madagascar**, this dynamic framework fully illustrates the region's desire to strengthen its economic integration through the development of South-South partnerships and the implementation of effective triangular cooperation, thus consolidating its positioning in value chains.

The Forum attracted high-level participation, including ministers, deputy ministers, permanent/principal secretaries, permanent secretaries/deputy principals, heads of diplomatic missions, senior officials from SADC member states, representatives of international organizations, private sector leaders, development partners, and other key stakeholders. Collectively, the sessions proposed a coherent and forward-looking agenda, positioning industrialization, innovation and integration as central

drivers of sustainable and inclusive development in the SADC region.

2 Key Observations

The forum made the following observations:

- **Following the Industrialization Week**, complementary economic events will have to be organized and planned in order to maintain the momentum engaged. These initiatives will aim to strengthen cooperation between stakeholders, boost investment, promote innovation and increase intra-regional trade, currently below 20%, while reducing dependence on exports of unprocessed raw materials, which still account for more than 80% of trade flows. They will thus contribute to the construction of a more integrated, competitive market that creates added value for the region.
- **The image, identity, influence and visibility of SADC as an integrated regional bloc remains limited.** This is due in particular to a still insufficient level of economic integration, a lack of awareness of the products and services offered by the Member States, as well as a deficit in promoting and positioning the community as a strong regional brand.
- **SADC remains highly dependent on third countries for its supply of food, medicines and medical inputs.** Yet, the region has the potential to feed and care for its population from its own resources. However, due to insufficient knowledge of the specific strengths of each member country, agricultural value chains are struggling to fully develop, pharmaceutical chains remain poorly structured, and related services are still largely under-exploited.

- (i) **Low industrialization and employment mismatch:** Despite positive economic growth in most SADC countries, the region remains largely agrarian with limited structural transformation. The majority of the population is employed in agriculture, a sector with low productivity and limited growth, while the service sector is growing but creating fewer jobs, leading to underemployment and income inequality.
- (ii) **Exporting critical minerals without value-added:** Although SADC has vast deposits of critical minerals that are essential for the global transition to green energy, most countries continue to export these minerals in raw form, lacking value addition, industrial development and local job creation. This reinforces trade imbalances and dependence on external markets.
- (iii) Despite its vast agricultural potential and growing young population, the SADC region continues to face **major structural barriers to agricultural productivity**, particularly inadequate irrigation infrastructure, limited mechanization and underdeveloped agricultural processing capacity. These constraints hinder both local food security and the region's competitiveness in global markets.
- (iv) **operationalization of regional frameworks at the national level** remains slow and insufficient: Although SADC has developed comprehensive regional strategies, such as the SADC Industrialization Strategy and Roadmap and the Circular Economy Strategy, it is clear that member states need to translate them into **national action plans**, supported by **legislation, budget allocations and institutional capacity** to support implementation on the ground.

- (v) **Public-private sector collaboration, which is essential for industrial transformation, is not optimal** : The Forum demonstrated the critical role of the **private sector**, including through the SADC Business Council and parallel business-to-business dialogues. Stronger **public-private coordination platforms**, including SMEs, youth, and women-led businesses, are key to aligning investment priorities, value chain development, and innovation adoption across sectors.
- (vi) **Investment in skills and technological capabilities remains insufficient in relation to industrial needs**: A recurring theme has been the **skills gap** in industrial sectors, particularly in agribusiness, renewable energy and green manufacturing. Member States should prioritize the development of **industry-aligned technical and vocational training**, as well as **regional centres of excellence**, to build a future-ready workforce capable of driving industrialization and supporting the implementation of the AfCFTA.
- (vii) **Regional value chains remain vulnerable and require targeted support for resilience** : Despite progress, key regional value chains, such as agriculture, mining, and pharmaceuticals, remain fragmented and vulnerable to shocks (e.g., climate, logistics, geopolitics). A targeted effort is needed to **map regional value chains**, address bottlenecks (infrastructure, financing, standards), and **promote innovation and sustainability** to build resilience and competitiveness.
- (viii) **Trade and investment partnerships are still rare and not very diversified**: Dialogues such as the SADC-India Business Forum have highlighted the untapped potential of **South-South cooperation**. SADC should leverage these platforms to build **targeted trade and investment partnerships**, support **joint ventures**, and expand **market** access for regional products, while improving the investment climate and harmonizing trade facilitation measures.

(ix) **The SADC Business Council (SADC BC) has reaffirmed its commitment to advancing regional industrialization and private sector development through enhanced institutional coordination and engagement.** Since the last SADC Industrialization Week, the Council has made significant progress, including changes and an increase in membership in all member States, the formal registration of the SADC Cooperation Community in the Republic of Botswana and the ongoing establishment of a permanent Bureau of the Secretariat. A regional coordinator has been appointed to provide dedicated leadership, and technical staff are seconded by member organizations to lead thematic areas aligned with the Council's strategic priorities. The Council further pledged to continue hosting the SADC Industrialization Week in partnership with the SADC Secretariat and relevant stakeholders, as a strategic platform to promote inclusive industrial transformation and deeper regional integration.

3 DECLARATION

On this date of 31 July 2025, the Forum DECLARES that the following priority areas require the attention and action of all stakeholders, including Member States:

3.1 Accelerating Climate-Smart Investments and Trade Integration in Southern Africa's Agrifood Systems

- (i) **Establish a Regional Climate-Smart Agribusiness Investment Facility:** Develop a dedicated regional financing and technical assistance facility for SADC to de-risk and co-finance climate-smart agriculture (CSA) and agri-food processing projects. The facility is expected to target innovations in drought-tolerant crops, precision agriculture, sustainable irrigation and digital

agriculture, while helping agricultural SMEs and cooperatives access capital and markets.

- (ii) **Harmonize standards and promote cross-border trade in climate-smart products:** Accelerate the development and adoption of harmonized regional standards, certification protocols, and sanitary/phytosanitary measures for CSA products and technologies. This will facilitate cross-border trade, reduce non-tariff barriers, and improve the competitiveness of the region's agri-food exports.
- (iii) **Strategic investments in irrigation systems,** mechanization service centers, and agribusiness processing zones, coupled with targeted incentives for private sector participation, can significantly boost productivity, create jobs, and unlock sustainable economic transformation across the SADC region.
- (iv) **Targeted investments in human capital and technology transfer can enable SADC countries to strengthen their productive capacities and improve their competitiveness.** This would provide them with the opportunity to offer local alternatives to imported agricultural products, often associated with a high carbon footprint, while stimulating value and job creation within the region.

3.2 Building the resilience of regional value chains through innovation and sustainability

- (i) **It is time for SADC to "walk the talk" by developing competitive and integrated regional value chains** for critical minerals through investments in infrastructure, energy, skills, technology and policy coherence – transforming natural resource wealth into inclusive industrial growth and sustainable development.
- (ii) **Establish regional value chain resilience platforms and innovation hubs:**
Create multi-stakeholder platforms that track vulnerabilities and promote innovation in critical value chains (e.g., pharmaceuticals, food, fertilizers,

green minerals). Link these platforms to regional innovation hubs that foster R&D collaboration and digital solutions for supply chain resilience.

(iii) Promoting sustainable procurement and green supply chain standards:

developing and integrating sustainable procurement policies in the public and private sectors of Member States to encourage climate-resilient and low-carbon production practices. Support value chain actors in the adoption of ESG (Environmental, Social and Governance) standards, eco-labelling and life cycle assessments.

3.3 Promoting the circular economy

- (i) Accelerate the implementation of the SADC Circular Economy Strategy through national action plans and monitoring frameworks:** Member States should urgently integrate the regional circular economy strategy across their countries by developing and implementing aligned national action plans. This should be supported by clear targets, measurable indicators, and robust monitoring frameworks to track progress, identify gaps, and ensure policy coherence across sectors and borders.
- (ii) Intensify circular economy innovation and private sector participation through incentives and market development:** Establish regional incentive schemes, such as tax breaks, preferential purchases and access to green finance, to encourage private sector investment in circular business models, particularly in waste processing industries, eco-design and sustainable packaging. Member States should also promote cross-border circular value chains and foster regional markets for secondary raw materials and recycled products.
- (iii) To face today's economic and social challenges, it is essential to consume fewer resources and produce less waste. Countries need to put in place effective solutions to better manage their resources and waste. This would not only protect the environment, but also create new economic opportunities and value.**

3.4 The region's just energy transition – a focus on renewable energy, regional integration and technological innovation

- (i) **Operationalize the SADC Just Energy Transition Strategy and Regional Power Pools: Accelerate the** implementation of a SADC-wide Just Energy Transition Strategy that ensures equitable access, job creation, and community participation. Strengthen the Southern African Power Pool (SAPP) for cross-border trade in renewable energy, investment coordination, and development of shared infrastructure (e.g., regional grids, storage systems).
- (ii) **Invest in local manufacturing and technology transfer for renewable energy systems:** Facilitate joint ventures, technology partnerships and investment incentives to promote local production of solar panels, batteries, wind turbines and green hydrogen components. Build regional research and innovation hubs linked to academia and industry to promote local solutions.

3.5 Finance and investments

- (i) **Attracting foreign direct investment (FDI) and boosting intra-SADC investment** remain at the heart of the region's development integration agenda. To this end, it is essential to create a favourable and enabling investment climate that meets the needs of investors and the private sector, while remaining competitive and aligned with the principles of responsible and sustainable investment. In addition, addressing the decline in agricultural production and persistent energy shortages is essential, as these challenges undermine macroeconomic stability and reduce the overall attractiveness and competitiveness of the region as an investment destination.
- (ii) **SADC Regional Development Fund:** There is an urgent need to accelerate the operationalization of the SADC Regional Development Fund in light of the current global geopolitical developments affecting the financing of programmes/projects at the national and regional levels.

(iii) Improving access to finance for MSMEs to accelerate regional industrialization in the SADC region by:

- a) promoting innovative financing mechanisms focused on industry needs and coordination, market segmentation (including blended finance in agricultural value chains) through evidence-based research.
 - b) mobilising guarantees and risk reduction instruments to attract private and public investment in regional agro-industrial development projects.
 - c) Leverage climate-smart digital platforms, fintech solutions and investment instruments.
 - d) Strengthening regional financial integration and the payments ecosystem
- (i) Implement the Africa Trade Competitiveness and Market Access (ATCMA) programme (2025–2029, €25 million) which represents a key step to strengthen the competitiveness of SMEs/SMIs, structure value chains and attract investment, through innovative mechanisms such as risk sharing, blended finance and regional platforms, for inclusive growth and economic integration. Strengthening domestic resource mobilization:** There is an urgent need to strengthen Member States' capacity to collect tax, including through progressive and effective systems, and to combat illicit financial flows (IFFs), with a focus on tax evasion. These efforts are particularly critical in the light of the region's declining export earnings and the continuing decline in official development assistance (ODA).

3.6 Tourism

- i. **Position tourism and wildlife-based economies as one of the strategic pillars of SADC's industrialization agenda**, with strong upstream and downstream linkages in agriculture, creative industries, manufacturing, and services.
- ii. **Recognize the transformative potential of the wildlife-based economy as a driver of industrialization**, innovation and inclusive development in the SADC region. The SADC Wildlife Economy Strategic Framework provides a roadmap to unlock the value of biodiversity through competitive value chains such as tourism, hunting, fishing and biotrade. We call for its integration into national policies and budgets, and urge public and private actors to invest in scalable and community-centered wildlife enterprises. Let us affirm our commitment to making the wildlife economy a key pillar of sustainable economic growth and livelihoods in Africa.
- iii. **Encourage the development and adoption of sustainable and inclusive business models**, such as ecotourism, bioprospecting and digital innovation, that protect biodiversity while stimulating industrial development. In addition, **it is necessary to step up investments in regional tourism infrastructure, logistics and connectivity**, including the development of cross-border tourism routes and value chains, in order to unlock economic potential in all Member States.
- iv. **Promote enabling policy, legal and financial frameworks to increase the participation of women and youth in tourism-related trade, investment and innovation**, in line with SADC Regional Integration Frameworks to guide initiatives that promote gender-responsive industrialization in the region. In addition, support and promote women-led businesses in the tourism and biodiversity economy, including those in hospitality, textiles, food systems, transport and creative industries.

- v. **Foster public-private partnerships and multi-stakeholder collaboration** to improve knowledge sharing, data collection, and monitoring systems to inform evidence-based policymaking, carry out coordinated actions, and monitor the impact of tourism on regional industrialization and inclusive growth.

3.7 Promotion of pharmaceutical industries

- i. **Promote investment in the production of essential medicines.** This would reduce the bill for importing these products from outside the region while creating and capturing local added value
- ii. **Promoting Research and Development through International Cooperation**
- iii. **Supporting the establishment of an enabling ecosystem**

3.8 MSME Development

- i. **Skills development** : Strengthening the capacity of MSMEs through business support and business scale-up services - Improving the entrepreneur's access to information, markets and knowledge and addressing business literacy and formalization issues
- ii. **Market Development** : Supplier Development Programmes (SDPs) in Regional Institutions – Linkages between small businesses and large regional institutions through the adoption of SDP models help build the capacity of MSMEs, opening them up to structured value-added value chains.
- iii. Stimulate the development and implementation of targeted policy measures to accelerate the industrialization of SMEs in line with the SADC industrialization strategy, fostering the integration of regional value chains, improving productivity, and promoting inclusive and sustainable economic transformation.

4.0 Execution and review

- i. **ENCOURAGE** all stakeholders, including the private sector, Member States, civil society organizations, academic and research institutions, as well as regional and international cooperation partners, to facilitate and support the implementation of this Declaration at the national and regional levels.
- ii. **COMMIT** to regularly review the implementation of this Declaration and report on progress at the upcoming SADC Industrialization Week 2026.

END